



Audit of the Office of Justice Programs
Victim Assistance Grants Awarded to the
Colorado Division of Criminal Justice,
Lakewood, Colorado



AUDIT DIVISION

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Executive Summary

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Colorado Division of Criminal Justice, Lakewood, Colorado

Objective

The objective of the audit was to evaluate how the Colorado Division of Criminal Justice (CDCJ) 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 CDCJ had adequately used victim assistance funds to enhance victim services within the state of Colorado. This audit did not identify significant concerns regarding CDCJ's implementation of the Victim Assistance Program or the use of administrative costs. However, we identified issues with subrecipient accounting records, subrecipient support of expenditures and match, subrecipient in-kind volunteer logs, and subrecipient submitted Performance Measurement Tool (PMT) data. We also identified a total of \$28,741 in unsupported subrecipient expenditures, \$5,749 in unsupported subrecipient cash match, \$207,727 in unsupported subrecipient in-kind match, and \$22,338 in unallowable subrecipient match.

Recommendations

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

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of three Victims of Crime Act victim assistance formula grants awarded by OJP, Office for Victims of Crime (OVC) to the Colorado Division of Criminal Justice in Lakewood, Colorado. The OVC awarded these formula grants, totaling just over \$125 million for fiscal years (FY) 2016 through 2018, from the Crime Victims Fund to enhance crime victim services throughout Colorado. As of September 23, 2020, CDCJ drew down a cumulative amount of approximately \$59 million from the grants we reviewed.

Program Accomplishments – We determined that it appeared CDCJ had adequately used Victim Assistance funds to enhance victim services within the state of Colorado. Additionally, we determined CDCJ was effective in distributing Victim Assistance funds, even after a substantial increase in funding in FY 2015.

Financial Monitoring – We identified issues with subrecipient accounting records and subrecipient support for expenditures and match. Additionally, we found that subrecipients had charged unallowable match to the subawards in our scope. We determined CDCJ needs to improve its financial monitoring policies and procedures.

Performance Monitoring – We determined that three of the seven sampled subrecipients could not provide adequate support for our sample of PMT performance data. However, we determined that CDCJ had generally identified the issues during monitoring.

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS AWARDED TO
THE COLORADO DIVISION OF CRIMINAL JUSTICE,
LAKEWOOD, COLORADO

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Colorado Division of Criminal Justice (CDCJ) in Lakewood, Colorado. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2016 to 2018, these OVC grants totaled \$125,288,982.

Table 1
Audited Grants
Fiscal Years 2016 – 2018

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2016-VA-GX-0070	09/19/2016	10/01/2015	09/30/2019	\$37,271,902
2017-VA-GX-0037	09/28/2017	10/01/2016	09/30/2020	\$31,335,524
2018-V2-GX-0050	08/09/2018	10/01/2017	09/30/2021	\$56,681,556
Total:				\$125,288,982

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

Source: OJP's Grant Management System

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. 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

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

funding available for victim assistance was \$1.8 billion, which increased in FY 2018 to \$3.3 billion. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the states' population. As such, the annual VOCA victim assistance grant funds available to CDCJ increased from about \$7.6 million in FY 2014 to about \$32.5 million in FY 2015. As detailed in Table 1, the increased funds were sustained through FY 2018.

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

The Grantee

As the Colorado state administering agency, CDCJ is responsible for administering the VOCA victim assistance program. The mission of CDCJ is to improve the safety of the community, the quality of services to crime victims, and the effectiveness of services to offenders. CDCJ aids state and local agencies in the criminal justice system by analyzing policy, conducting criminal justice research, managing programs, and administering grants.

OIG Audit Approach

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

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA victim assistance program guidelines and Final Rule (VOCA Guidelines), the DOJ Grants Financial Guide, and the award documents as our primary criteria. We also reviewed relevant CDCJ policy and procedures and interviewed CDCJ personnel to determine how they administered the VOCA funds. We selected a sample of seven CDCJ subrecipients, interviewed subrecipient personnel, and further obtained and reviewed CDCJ and subrecipient records reflecting grant activity.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. CDCJ, which is the primary recipient of victim assistance grants at the state level in Colorado, must distribute the majority of the funding to organizations that provide direct services to victims, such as rape treatment centers, domestic violence shelters, centers for missing children, and other community-based victim coalitions and support organizations. As the state administering agency, CDCJ 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.² 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 CDCJ's overall plan to allocate and award the victim assistance funding. We reviewed how CDCJ 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 CDCJ appropriately identified and planned to meet additional victim service needs with its increased funding. We did not identify any issues with its process to select subrecipients and found that CDCJ adequately communicated to its subrecipients applicable VOCA requirements.

Subaward Allocation Plan

In response to the significant increase in CVF available funding, the OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required that state and territory applicants submit a subrecipient funding plan that detailed its efforts to identify additional victim service needs, as well as subaward strategies to utilize the substantial increase in available VOCA funding.

Within the 2016 application's proposed plan, CDCJ explained it conducted a survey of current grantees and CDCJ's domestic violence, sexual assault, and victim assistance coalitions for distribution to its members. CDCJ found that among other things, civil legal

² 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.

services, transitional housing, and emergency funds were in great demand, followed by a desire for technology and shelter improvements/expansion. As a result, CDCJ conducted separate funding processes for one-time needs, such as technology and Americans with Disabilities Act upgrades, and a special funding process for projects that focus on a statewide response to the above mentioned needs of civil legal services, transitional housing, and emergency funds. During our audit, we reviewed a sample of expenditures from five special project grants during our subrecipient expenditure testing; however, because the one-time grants occurred prior to the scope of our audit, we did not select a sample for testing.

CDCJ worked with a local University to conduct an analysis of the result of increased VOCA funding. The University reviewed grant reports from 198 agencies and conducted interviews with approximately 20 percent of subrecipient Program Directors and Agency Executive Directors. The evaluation was completed in June 2020 and found that subrecipients had: (1) increased training for staff and volunteers; (2) indicated that VOCA funds had been essential to non-recurring needs; (3) indicated that funds had been helpful in meeting ongoing needs, but as agencies serve new clients, new needs outpace resources; (4) used VOCA funds for public education activities; (5) indicated VOCA funds had helped address local needs; and (6) used VOCA funds to increase organizational capacity to meet the needs of diverse clients, such as by hiring bilingual staff.

Additionally, CDCJ worked with a contractor to create a map book of and identify underserved populations within the state of Colorado. According to CDCJ, it was used, in part, to assist applicants in identifying the underserved populations in its communities so they could develop a response to these groups in their application for funding, if appropriate. It appeared CDCJ had made a substantial effort to identify underserved communities within Colorado.

Based on our analysis, it does not appear that CDCJ has encountered any significant issues related to the increased victim assistance funding. As shown in Table 2, CDCJ had about \$2.5 million in remaining funds for its FY 2016 award, which were deobligated. While CDCJ has over \$7.5 million in remaining funds for its FY 2017 award, CDCJ staff stated that they are on track to spend the funds by the closeout of the award. CDCJ staff also stated that about \$17 million of the FY 2018 grant funds have been obligated, and CDCJ anticipates obligating the remaining grant funds during its upcoming awarding period. Based on approved subaward budgets, CDCJ believes that the entire FY 2018 award will be spent by the end of the award period.

Table 2
Drawdowns
Fiscal Years 2016 – 2018

Award Number	Award Amount	Amount Drawn	Amount Remaining
2016-VA-GX-0070	\$37,271,902	\$34,768,296	\$2,503,606
2017-VA-GX-0037	\$31,335,524	\$23,651,137	\$7,684,387
2018-V2-GX-0050	\$56,681,556	\$913,604	\$55,767,952

Source: OJP Payment History Report

Subaward Selection Process

To assess how CDCJ granted its subawards, we identified the steps that CDCJ took to inform, evaluate, and select subrecipients for VOCA funding. According to CDCJ guidelines, CDCJ issues subawards as competitive or noncompetitive as dictated by the federal award terms and authorizing legislation, or state legislation. The policy states that grant opportunities are to be distributed via CDCJ’s website, CDCJ’s Grant Management System, and blast emails to all known potential applicants.

According to CDCJ’s procedures, subaward applications are reviewed by CDCJ staff who prepare an application review form. The application review is broken into a financial review and a program review to ensure that all aspects of the application are thoroughly evaluated. CDCJ also prepares a staff summary sheet to provide brief application information for the funding review board. The staff summary sheets and board review forms, together with the grant applications are provided to board members for review and consideration in advance of the board meeting. Typically, the board reviews each application and may also rely on the staff review and/or a written recommendation for funding. Once the grant application review and reconsideration processes are complete, the program grant manager and unit manager create and submit a written summary of the funding recommendations with brief project descriptions to the CDCJ Director or Deputy Director for review and approval.

In addition, according to its policy, CDCJ conducts a pre-award risk assessment, which includes a review of: (1) financial stability and internal controls as evidenced by responses to the “Financial Management” section of the application and past performance with regard to financial reporting; (2) management systems as evidenced by responses to administrative and programmatic sections of the application and past performance with regard to grant management capacity; (3) history of performance as assessed by Grant Managers and as indicated by past progress on performance measures; (4) prior audits and correction of deficiencies or weaknesses that may have been noted; and (5) ability to comply with regulations as evidenced by a check of the SAM.gov website for

exclusion/debarment, a check of the IGSNet.gov website for noted concerns, and checks of State of Colorado registries.

As of January 2020, we found that during FY 2016 to 2018 CDCJ made 341 VOCA subawards totaling almost \$80 million. We did not identify any issues with CDCJ's subrecipient awarding process.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to its subrecipients. We reviewed CDCJ'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.

We reviewed subaward solicitations and the grant agreements for all subawards in our scope, and determined they contained the appropriate elements. We did not identify any issues with CDCJ's process for relaying award limitations, eligibility requirements, eligible program areas, restrictions on the uses of funds, and reporting requirements.

Program Requirements and Performance Reporting

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

Based on our assessment in the areas of program requirements and performance reporting, we believe that CDCJ: (1) is on track to fulfill the distribution requirements to priority victim groups for open grants and fulfilled the distribution requirements for expired grants, (2) did not implement adequate procedures to compile annual performance reports as discussed in the Performance Monitoring section of this report, and (3) complied with tested special conditions.

Priority Areas Funding Requirement

The VOCA Guidelines require that CDCJ 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.³

We examined how CDCJ allocated VOCA subawards to gauge whether it was on track to meet the program’s priority areas distribution requirements. Based on our analysis, we found that because CDCJ funds a large range of programs, they have not had issues meeting the priority area distribution requirements. Additionally, we reviewed CDCJ’s process for actively monitoring VOCA subawards to ensure they are on track to meet the priority areas distribution requirements. We did not identify any issues with CDCJ program priority areas distribution process.

Annual Performance Reports

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The OVC requires states to upload reports annually to its Grants Management System. The OVC also requires states to submit performance data through the web-based Performance Measurement Tool (PMT). With this system, states may provide subrecipients direct access to report quarterly data for state review, although the OVC still requires that if the subrecipient completes the performance measure data entry directly, the state must approve the data.

For the victim assistance grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by the 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. CDCJ submitted annual performance reports to the OVC for FY 2016 through 2019. CDCJ relies on its subrecipients to input data into PMT quarterly. Quarterly data is then aggregated into the annual performance report.

We assessed whether CDCJ’s annual performance reports to the OVC fairly reflect the performance data its subrecipients reported to the state. We reconciled a sample of performance data from the FY 2019 annual report, and determined it was generally accurate. Additionally, we reconciled the two most recent quarterly reports submitted by the seven subrecipients in our sample. We noted several instances where we were unable to reconcile performance data reported by these subrecipients to supporting documentation. Our testing of the reported performance data at the subrecipient level is discussed in-depth in the Monitoring of Subrecipients section of this report.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, CDCJ certified it would comply with

³ Methods for identifying “previously underserved” victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

these special conditions. We reviewed the special conditions for each VOCA victim assistance program grant and identified special conditions that we deemed significant to grant performance, which are not otherwise addressed in another section of this report. We selected the following special conditions and found that CDCJ was generally in compliance.

- For each victim assistance grant, the states must report to the OVC a Subgrant Award Report (SAR) with basic information on every subrecipient that receives victim assistance funds. We were generally able to reconcile the subrecipients reported in the SAR to documentation maintained by CDCJ.
- For each victim assistance grant, the state agrees to collect demographic information from recipients of assistance, where such information is voluntarily furnished by those receiving assistance. We found that CDCJ subrecipients were generally collecting that information on a voluntary basis.

Grant Financial Management

Award recipients must establish an adequate accounting system and maintain accounting records that accurately account for awarded funds. To assess the adequacy of CDCJ's financial management of the VOCA grants, we reviewed the process CDCJ used to administer these funds by examining expenditures charged to the grants, drawdown requests, match contributions, and financial reports. To further evaluate CDCJ's financial management of the VOCA grants, we also reviewed the Single Audit Reports for FY 2016 through 2018 and did not identify any significant deficiencies or material weaknesses specifically related to CDCJ. We also interviewed CDCJ personnel who were responsible for financial aspects of the grants, reviewed CDCJ written policies and procedures, inspected award documents, and reviewed accounting records.

As discussed below, in our overall assessment of grant financial management, we determined that CDCJ implemented adequate controls over administrative costs but could improve its procedures to ensure subrecipients maintain adequate accounting records and supporting documentation for grant expenditures and matching costs.

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. The results of our subrecipient testing are discussed in the Financial Monitoring section later in the report, and the results of our administrative expenditures are discussed below.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim assistance program and for training. According to the 2016 VOCA Final Rule, such costs must derive from efforts to expand, enhance, or improve how the agency administers the state crime victim assistance program and to support activities and costs that impact the delivery and quality of services to crime victims throughout the state. While federal grant-funded administrative costs generally must relate to a specific program, for VOCA assistance awards, the VOCA Final Rule states that funds for administration may be used to pay for costs directly associated with administering a state's victim assistance program.⁴

For the victim assistance grant program, we tested CDCJ's compliance with the 5 percent limit for administrative expenses. We compared the total administrative expenditures charged to the grants against the general ledger and determined that the state has complied or is positioned to comply with these limits.

In addition to testing CDCJ's compliance with the 5 percent administrative allowance, we also tested a sample of these administrative transactions. We judgmentally selected a sample of personnel costs totaling \$325,649 for four pay periods and 36 other expenditures totaling \$36,664 charged to grant numbers 2016-VA-GX-0070 and 2017-VA-GX-0037. We also tested all indirect costs charged to the awards. Based on our testing, we determined the transactions in our sample were generally accurate and 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 CDCJ managed drawdowns in accordance with these federal requirements, we compared the total amount drawn down to the total expenditures in CDCJ's accounting system and accompanying accounting records. For the VOCA victim assistance awards, CDCJ calculates drawdown amounts sufficient to cover subrecipient reimbursement requests and state administration costs.

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

⁴ 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.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project costs. 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.⁵ The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.

The match budget is included as part of the grant agreements with each subrecipient. CDCJ requires subrecipients to match 20 percent of the awarded funds. To review the provision of matching funds, we reviewed a sample of match contributions for our seven subrecipients. We identified issues with match documentation and reporting for three of our seven sampled subrecipients, as discussed in the financial monitoring section below.

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 CDCJ submitted accurate Federal Financial Reports, we compared the four most recent reports to CDCJ's accounting records for each grant. We determined that quarterly and cumulative expenditures for the reports reviewed generally matched the accounting records.

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, CDCJ must develop policies and procedures to monitor subrecipients. To assess the adequacy of CDCJ's monitoring of its VOCA subrecipients, we interviewed CDCJ personnel, identified CDCJ monitoring procedures, and obtained records of interactions between CDCJ and its subrecipients. We also selected seven subrecipients for review, which included interviewing personnel, and reviewing accounting and performance records. We spoke with subrecipient officials about the support received from CDCJ and they indicated that the support was generally adequate. Our findings related to subrecipient testing are outlined below.

⁵ 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.

CDCJ Monitoring

According to CDCJ's policy, its goal is to complete a comprehensive monitoring review that includes an on-site visit with each subrecipient every 2 years. Each year, the CDCJ Grants Monitoring Coordinator drafts a list of subrecipients scheduled for comprehensive monitoring during the follow year. Additionally, CDCJ conducts routine desk monitoring of its subrecipients, including a review of quarterly financial reports, reviews of quarterly programmatic narrative and statistical reports, tracking of goals and objectives, reviewing compliance with special conditions, and a final close-out review. CDCJ also requires each subrecipient to submit a current audit or financial review that covers the most recent year during which the agency received and expended subaward funds. CDCJ's Audit Compliance Monitor reviews each subrecipient's audit or financial review, as well as A-133 Single Audits from subrecipients whose annual receipt of federal funds reaches the single audit threshold of \$750,000. The Audit Compliance Monitor also follows up on any issues identified in the subrecipient audits or financial reviews and requires the subrecipient to provide a response regarding resolution. During our audit, we requested the Single Audits for the seven subrecipients selected for review and determined that CDCJ was aware of any recommendations and required corrective actions.

If concerns are identified, CDCJ's policy states that an enhanced grant management and desk monitoring will be triggered. This may include, but is not limited to, requiring submission of the subrecipient's accounting records, as well as financial and programmatic source documentation. The enhanced monitoring may include phone calls, written correspondence, in-office visits, and technical assistance, with the goal being to require the subrecipient to achieve satisfactory resolution of the issue within the quarter.

We did not identify issues with CDCJ's policy for monitoring subrecipients. Additionally, we determined that CDCJ is following its subrecipient monitoring schedule. However, based on our review of subrecipients, we identified areas for improvement, as discussed below.

Financial Monitoring

CDCJ's VOCA subrecipients submit reimbursement requests for award expenditures either on a monthly or quarterly basis. The state may periodically request documentation supporting subrecipient reimbursement requests and review supporting documentation. Additionally, CDCJ reviews supporting documentation when conducting bi-annual site-visits and regular desk reviews to ensure expenses are supported and approved in the subaward agreements.

During our analysis, we requested accounting records from the subrecipients for both award expenditures and the required matching costs. We selected a sample of transactions from the subrecipient accounting records to determine if they were accurate, allowable, and supported. Based on our analysis, we identified the following issues:

- **Subrecipients did not maintain adequate accounting records supporting expenditures and match.** We determined that two of the seven sampled subrecipients did not maintain detailed accounting records of expenditures and/or match for the subawards in our scope. As a result, it would be difficult for CDCJ to reconcile expenditures and match to reimbursement requests and match reports. In one instance, we had to rely on records recreated by CDCJ for part of our analysis. As part of CDCJ's risk assessment, CDCJ determines if subrecipients have adequate financial systems; however, it appears it is not always effective. As a result, we recommend OJP ensures CDCJ develops and implements enhanced monitoring procedures of subrecipient accounting practices to ensure that detailed accounting records are maintained for the subawards.
- **Subrecipients charged unsupported personnel and other expenditures to the awards.** During our analysis, we determined that two of the seven subrecipients did not maintain supporting documentation for personnel and other expenditures charged to the grants in our scope. Overall, we identified \$18,557 in unsupported personnel costs charged to the grants. Additionally, we determined that two of the seven subrecipients had reimbursement requests totaling \$10,184 which were not supported by accounting records. As a result, we recommend OJP work with CDCJ to remedy a total of \$28,741 in unsupported subaward expenditures.
- **Subrecipients reported unsupported cash match transactions.** We determined that two subrecipients did not maintain adequate support for sampled personnel and other cash match transactions. We identified a total of \$2,837 in personnel match costs and \$2,912 in other cash match costs that were not supported by adequate documentation. As a result, we recommend OJP work with CDCJ to remedy a total of \$5,749 in unsupported subaward cash match.
- **Subrecipients reported unsupported in-kind volunteer match contributions.** We determined that two subrecipients did not maintain adequate support for in-kind volunteer match reported for the subawards in our scope. Specifically, one subrecipient maintained an online calendar of days volunteers were available for victim outreach, if needed. The subrecipient staff used the online calendar to compile an Excel spreadsheet of hours worked by volunteers for the year. However, in most instances, the online calendar only included the volunteer's name, although in a few instances the online calendar also included the time during the day that the volunteer was available for victim outreach. Additionally, the subrecipient did not track the actual time the volunteers worked. Instead, if the online calendar did not include specific times that the volunteer was available, for weekdays the subrecipient reported 15 hours of in-kind volunteer match, and for weekends and holidays the subrecipient reported 24 hours of in-kind volunteer match, regardless of whether or not the volunteer worked those hours. In our opinion, a volunteer's name on a calendar for days they are available, if needed, for victim outreach is not sufficient documentation to support hours worked by a volunteer. The other subrecipient did not require volunteers to certify their time at all. A subrecipient

official stated that the state had advised them to update its process to include volunteer certification, but at the time of our audit the new process had not been implemented. Further, we did not identify this finding in the monitoring visit report provided by CDCJ. Overall, we identified \$207,727 in unsupported in-kind volunteer match reported at these two subrecipients for the grants in our scope. Therefore, we recommend OJP work with CDCJ to remedy a total of \$207,727 in unsupported in-kind volunteer match. Additionally, we recommend OJP ensures that CDCJ develops and implements policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.

- **Subrecipients reported unallowable match contributions.** We determined that two of the seven subrecipients charged a portion of employees' personnel costs not paid by the awards as match. However, we identified instances where the total personnel costs charged to the award and reported as match for an employee was more than 100 percent of actual costs. Overall, we identified a total of \$58,652 in unallowable excess personnel match charged to the subawards. Prior to the issuance of our draft report, one subrecipient submitted an adjusted match ledger which corrected \$36,314 of the unallowable match. As a result, we recommend OJP work with CDCJ to remedy the remaining \$22,338 in unallowable cash personnel match charged to the grants. Additionally, we recommend OJP ensure CDCJ develops and implements policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match.

Performance Monitoring

CDCJ requires its subrecipients to directly upload performance data to PMT. CDCJ then reviews supporting documentation for these submissions when it completes monitoring of its subrecipients during regular desk reviews and bi-annual site-visits.

While reviewing how CDCJ compiled performance data from its subrecipients to prepare Annual Performance Reports, we also assessed subrecipient performance reports. We sought support for select subrecipient-reported figures to confirm the number of victims reported as served by VOCA funding. As part of our analysis, we sampled federal FY 2019 third and fourth quarters and compared supporting documentation provided by subrecipients to the submissions by those agencies.

During our analysis, we were unable to reconcile the PMT data submitted by three of the seven subrecipients to the supporting documentation provided. Additionally, one subrecipient did not maintain data with unique identifiers, which prevented us from ensuring the PMT data was free of duplicates when it was required to report unique cases. As a result, we recommend OJP ensures CDCJ develops and implements policies and procedures to ensure subrecipients are maintaining adequate documentation supporting PMT performance data.

During monitoring visits prior to the start of our audit, CDCJ had identified issues with the support for PMT data submitted by two of the three same subrecipients. CDCJ did not identify issues with the support for PMT data for the subrecipient that did not maintain unique identifiers, which is likely due to CDCJ being able to review data with victim identifiers (such as victim names) while on site. As a result, we did not identify any further issues with CDCJ's monitoring of PMT data submitted by subrecipients.

CONCLUSION AND RECOMMENDATIONS

We determined that it appeared CDCJ adequately used Victim Assistance funds to enhance victim services within the state of Colorado. However, we identified issues with support provided by subrecipients for both expenditure and match for the grants in our scope. Additionally, we determined that some subrecipients did not maintain adequate accounting records of expenditures and match. We also determined that some subrecipients did not maintain adequate support for PMT submissions.

We recommend that OJP:

1. Ensure CDCJ develops and implements enhanced monitoring procedures of subrecipient accounting practices to ensure that detailed accounting records are maintained for the subawards.
2. Work with CDCJ to remedy a total of \$28,741 in unsupported subaward expenditures.
3. Work with CDCJ to remedy a total of \$5,749 in unsupported subaward cash match.
4. Work with CDCJ to remedy a total of \$207,727 in unsupported in-kind volunteer match.
5. Ensure that CDCJ develops and implements policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.
6. Work with CDCJ to remedy \$22,338 in unallowable cash personnel match.
7. Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match.
8. Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are maintaining adequate documentation to support PMT performance data.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the Colorado Division of Criminal Justice (CDCJ) 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 2016-VA-GX-0070, 2017-VA-GX-0037, and 2018-V2-GX-0050 from the Crime Victims Fund (CVF) awarded to CDCJ. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$125,288,982 to CDCJ, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2015, the project start date for VOCA assistance grant number 2016-VA-GX-0070 through September 2020. As of September 23, 2020, CDCJ had drawn down a total of \$59,333,037 from the three audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of CDCJ's activities related to the audited grants, which included conducting interviews with state of Colorado financial staff, examining policies and procedures, and reviewing grant documentation and accounting records. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA victim assistance program guidelines, the 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 CDCJ accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

Internal Controls

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

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

Internal Control Components & Principles Significant to the Audit Objectives	
Control Environment Principles	
	Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives.
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity’s information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity’s objectives.
	Management should externally communicate the necessary quality information to achieve the entity’s objectives.

We assessed the design of these internal controls and did not identify any deficiencies that we believe could affect CDCJ’s ability to effectively and efficiently operate, to correctly state financial and/or performance information, and to ensure compliance with laws and regulations. We did identify areas for improvement, which are discussed in the Audit Results section of this report. Because our review was limited to aspects of these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:⁷		
Unsupported Subrecipient Personnel Costs	\$18,557	12
Unsupported Subrecipient Payment Requests	\$10,184	12
Unsupported Cash Match Personnel Costs	\$2,837	12
Unsupported Other Cash Match Expenditures	\$2,912	12
Unsupported In-Kind Match	<u>\$207,727</u>	13
Total Unsupported Costs	\$242,217	
Unallowable Cash Match Personnel Costs	<u>\$22,338</u>	13
Total Unallowable Costs	\$22,338	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$264,555</u>	

⁷ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or 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, or the provision of supporting documentation.

COLORADO DIVISION OF CRIMINAL JUSTICE RESPONSE TO THE DRAFT REPORT⁸



Office for Victims Programs
700 Kipling Street, Suite 1000
Lakewood, CO 80215

November 9, 2020

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
US Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Dear Mr. Sheeren

We have reviewed the draft audit report related to the audit of Colorado's VOCA Victim Assistance awards from 2016 through 2018. The Colorado Department of Public Safety (CDPS) – Division of Criminal Justice (DCJ) concurs with some of the recommendations and does not concur with other recommendations.

Recommendation #1: Ensure CDCJ develops and implements enhanced monitoring procedures of subrecipient accounting practices to ensure that detailed accounting records are maintained for subawards.

DCJ concurs with the recommendation to enhance current monitoring procedures of subrecipient accounting practices and a revised monitoring plan is included with this response to address this recommendation. (Attachment 1 pgs. 7-8)

Recommendation #2: Work with CDCJ to remedy a total of \$28,741 in unsupported subaward expenditures.

DCJ concurs with the recommendation that two subrecipients were unable to provide all documentation to support personnel expenditures in the amount of \$18,557 and \$10,184 at the time of this submission.

Requested remedy: CDCJ has attached some additional time sheets from one subrecipient to remedy up to \$4005.32 in questioned personnel costs. (Attachment 2, Attachment 3 and Attachment 4) In addition, CDCJ believes that one timesheet that was requested from the OIG was for an employee that was no longer

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Jared S. Polis, Governor | Stan Hilkey, Executive Director

⁸ Attachments referenced in this response are not included in this final report.



working for the subrecipient and the confusion is between the general ledger and what was requested for reimbursement by the agency for that quarter which excluded the questioned amount of \$1018.46. At the time of this letter, CDCJ is working with the subrecipient to gather these documents to remedy the \$1018.46 in questioned personnel costs.

CDCJ tried to gather additional documentation for a questioned cost of \$7488 from one subrecipient but was unable to do so as the questioned cost was listed as “cumulative” for the adjustment in Quarter 4 of 2018. CDCJ will request reimbursement from the two subrecipients up to the amount of \$28,741 after there is a determination by the OIG or the Office for Victims of Crime if the additional documentation provided remedies some of the questioned costs.

Recommendation #3: Work with CDCJ to remedy a total of \$5749 in unsupported subaward cash match.

CDCJ concurs with the recommendation that two subrecipients were unable to provide documentation to support \$2,837 in personnel match costs and \$2,912 in other cash match costs.

Requested remedy: CDCJ has a match waiver policy approved by the Office for Victims of Crime (OVC), and we have requested approval from OVC to retroactively waive the match for these subrecipients to remedy the \$5,749 in unsupported match.

Recommendation #4: Work with CDCJ to remedy a total of \$207,727 in unsupported in-kind volunteer match.

Recommendation #5: Ensure that CDCJ develops and implements policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.

CDCJ partially concurs with these two recommendations regarding volunteer match. Per the Office for Victims of Crimes’ technical assistance guide, “Volunteer on-call time should be treated in the same manner that a paid employee in a similar situation would be compensated. See [28 C.F.R. 94.118\(f\)](#). The state administering agency should follow the guidance provided under the Fair Labor 21 Standards Act (FLSA) to determine the extent to which the duties of the on-call volunteer require that the volunteer can or cannot use his/her time effectively for his/her own purposes. Under regulations implementing the FLSA, an employee who is required—while on call—to remain so close to the employer’s premises that he/she cannot use the time effectively for his/her own purposes is working while on call. See FLSA, [29 C.F.R. 785.17.](#)”

Based on this guidance CDCJ believes that a volunteer’s time can be counted for the entire shift that they are on call if they are unable to do other things during that time because of their on call status which is different from how the OIG explained what could be counted as on call time.



CDCJ does concur that an agency should have volunteers maintain a calendar or timesheet that the volunteer dates and approves on at least a monthly basis.

Requested remedy: CDCJ has a match waiver policy approved by the Office for Victims of Crime (OVC), and we have requested approval from OVC to retroactively waive the match for these subrecipients to remedy the \$207,727 in unsupported in-kind match. In addition CDCJ, will provide further guidance to grantees through post award training, a technical assistance document that will be created after further clarification from OVC, and further clarification in the OVP monitoring plan (Attachment 1 – pg. 9)

Recommendation #6: Work with CDCJ to remedy \$22,338 in unallowable cash personnel match.

CDCJ concurs with the recommendation to remedy \$22,338 in unallowable personnel cash match for two subrecipients.

Requested remedy: CDCJ has a match waiver policy approved by the Office for Victims of Crime (OVC), and we have requested approval from OVC to make the match waiver retroactive to remedy the \$22,338 in unsupported match.

Recommendation #7: Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match.

CDCJ concurs in general with the recommendation to implement policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match. In addition to enhanced monitoring reviews of subrecipients, CDCJ will continue its practice of conducting random reviews on all subrecipients at various times in the grant period to review costs charged and reported match, as well as a full monitoring review of all subrecipients every two years. In addition, CDCJ requests supplementary supporting documentation from subrecipients when a quarterly or monthly financial request varies significantly from a standard request. Subrecipients are informed that CDCJ expects them to have back up documentation for all costs and match in a variety of ways including post award training, technical assistance documents and their initial grant letter (Attachment 5).

Recommendation #8: Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are maintaining adequate documentation to support PMT performance data.

CDCJ concurs in part with the recommendation. The monitoring conducted by the Office for Victims Programs includes a process to verify quarterly data previously submitted from each subrecipient while on site. In addition, PMT data that is entered by the subrecipients are checked quarterly by OVP staff to look for any anomalies. As this process may have not been



COLORADO
Division of Criminal Justice
Department of Public Safety

clear to the OIG, the revised monitoring plan outlines what steps CDCJ will take to check the documentation of the subrecipients PMT data while on site. (Attachment 1 – pgs. 9-10) In addition, this practice is explained in CDCJ's [PMT webinar](#) (starting at 20:57 minutes in the video).

Thank you for the opportunity to respond to the draft report from the Office of the Inspector General. CDCJ looks forward to the ongoing conversation to close out the recommendations.

Sincerely,

Joe Thome
Director – Division of Criminal Justice
Colorado Department of Public Safety

OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

November 16, 2020

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Denver 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 Colorado Division of Criminal Justice, Lakewood, Colorado*

This memorandum is in reference to your correspondence, dated October 19, 2020, transmitting the above-referenced draft audit report for the Colorado Division of Criminal Justice (CDCJ). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **eight** recommendations and **\$264,655** 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 CDCJ develops and implements enhanced monitoring procedures of subrecipient accounting practices to ensure that detailed accounting records are maintained for the subawards.**

OJP agrees with this recommendation. We will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that detailed accounting records are maintained for the subawards.

- 2. We recommend that OJP work with CDCJ to remedy a total of \$28,741 in unsupported subaward expenditures.**

OJP agrees with this recommendation. We will review the \$28,741 in questioned costs, related to unsupported subaward expenditures, and will work with CDCJ to remedy, as appropriate.

3. **We recommend that OJP work with CDCJ to remedy a total of \$5,749 in unsupported subaward cash match.**

OJP agrees with this recommendation. We will review the \$5,749 in questioned costs, related to unsupported subaward cash matching expenditures, and will work with CDCJ to remedy, as appropriate.

4. **We recommend that OJP work CDCJ to remedy a total of \$207,727 in unsupported in-kind volunteer match.**

OJP agrees with this recommendation. We will review the \$207,727 in questioned costs, related to unsupported in-kind volunteer matching expenditures, and will work with CDCJ to remedy, as appropriate.

5. **We recommend that OJP ensure that CDCJ develops and implements policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.**

OJP agrees with this recommendation. We will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients maintain adequate supporting documentation for in-kind match volunteer time.

6. **We recommend that OJP work with CDCJ to remedy \$22,338 in unallowable cash personnel match.**

OJP agrees with this recommendation. We will review the \$22,338 in questioned costs, related to unallowable cash personnel matching expenditures, and will work with CDCJ to remedy, as appropriate.

7. **We recommend that OJP ensure CDCJ develops and implements policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match.**

OJP agrees with this recommendation. We will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients are not including the same costs as both Federal and matching expenditures.

8. **We recommend that OJP ensure CDCJ develops and implements policies and procedures to ensure subrecipients are maintaining adequate documentation to support PMT performance data.**

OJP agrees with this recommendation. We will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients are maintaining adequate documentation to support Performance Measurement Tool (PMT) performance data.

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

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OJP Executive Secretariat
Control Number IT20201020092033

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

The OIG provided a draft of this audit report to the Colorado Division of Criminal Justice (CDCJ) and the Office of Justice Programs (OJP). CDCJ's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4 of this report. In response to our draft audit report, OJP agreed with each of the eight recommendations. As a result, the status of the report is resolved. CDCJ either concurred or partially concurred with each of the eight recommendations. The following provides the OIG analysis of the responses and a summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure CDCJ develops and implements enhanced monitoring procedures of subrecipient accounting practices to ensure that detailed accounting records are maintained for the subawards.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that detailed accounting records are maintained for the subawards

CDCJ concurred with our recommendation. Along with its response to the draft report, CDCJ included a revised subrecipient monitoring plan that includes additional procedures to ensure that detailed accounting records are maintained for the subawards.

This recommendation can be closed when we receive documentation supporting that the revised subrecipient monitoring plan, which includes additional procedures to ensure that subrecipients maintain detailed accounting records for subawards, has been fully implemented.

- 2. Work with CDCJ to remedy a total of \$28,741 in unsupported subaward expenditures.**

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$28,741 in questioned costs, related to unsupported subaward expenditures, and will work with CDCJ to remedy, as appropriate.

CDCJ concurred with our recommendation. In its response, CDCJ stated that it believes \$1,018 of the unsupported questioned costs is related to an employee that is no longer working for the subrecipient. CDCJ is working with the subrecipient to

gather supporting documentation and remedy the \$1,018 in questioned personnel costs. Additionally, CDCJ stated that it is unable to obtain documentation to support \$7,488 in questioned costs from one subrecipient. As a result, CDCJ stated it will request reimbursement from the two subrecipients for the unsupported personnel costs once a determination on the adequacy of the additional support has been made by the DOJ, as necessary.

Along with its response to the draft report, CDCJ obtained and included additional timesheets for one subrecipient that CDCJ believes adequately supports \$4,005 of the questioned costs. We reviewed the additional supporting documentation provided by CDCJ and determined that it appeared to be adequate to support \$1,948 of the \$28,741 in unsupported questioned costs. However, we determined that the additional timesheets CDCJ provided along with its response to the draft report, did not adequately support \$2,057 of the \$4,005 in unsupported personnel costs that CDCJ believed should be remedied. The timesheets were either for the wrong pay period or were provided by the subrecipient previously and only partially supported the pay period selected for review. We will coordinate with OJP to obtain its determination on the adequacy of the provided documentation.

This recommendation can be closed when we receive documentation supporting that OJP has remedied the \$28,741 in unsupported subaward expenditures.

3. Work with CDCJ to remedy a total of \$5,749 in unsupported subaward cash match.

Resolved. OJP and agreed with our recommendation and stated in its response that it will review the \$5,749 in questioned costs, related to unsupported subaward cash matching expenditures, and will work with CDCJ to remedy, as appropriate.

CDCJ concurred with our recommendation. In its response, CDCJ stated that it has a match waiver policy approved by the Office for Victims of Crime (OVC) and has requested approval from OVC to retroactively waive the match for the subrecipients to remedy the \$5,749 in unsupported cash match.

This recommendation can be closed when we receive documentation supporting that OJP has remedied the \$5,749 in unsupported cash match.

4. Work with CDCJ to remedy a total of \$207,727 in unsupported in-kind volunteer match.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$207,727 in questioned costs, related to unsupported in-kind volunteer matching expenditures, and will work with CDCJ to remedy, as appropriate.

CDCJ partially concurred with our recommendation. CDCJ stated that per the OVC Technical Assistance Guide, volunteer on-call time should be treated in the same manner that a paid employee in a similar situation would be compensated. CDCJ also stated that it should follow the guidance provided under the Fair Labor 21 Standards Act (FLSA) to determine the extent to which the duties of the on-call volunteer required that the volunteer can or cannot use his/her time effectively for his/her own purposes. CDCJ stated that under regulations implementing the FLSA, an employee who is required, while on call, to remain so close to the employer's premises that he/she cannot use the time effectively for his/her own purposes is considered to be working while on call. CDCJ further stated that it believes that based on this guidance, a volunteer's time can be counted for the entire shift that they are on call if they are unable to do other things during that time because of their on-call status.

While we agree that the OVC Technical Assistance Guide states that volunteer on-call time should be treated in the same manner that a paid employee in a similar situation would be compensated, there was no indication that the volunteers were unable to do other things during the time they were on call. Therefore, as stated in the report, the subgrantee cannot count the entire time the volunteers were on call. Instead, the subrecipient should have used the actual volunteer hours work for its in-kind match. Further, according to the OVC Victim Assistance Guidelines, volunteer services must be documented, and to the extent feasible, supported by the same methods used by the subrecipient for its own paid employees. Meaning that the subrecipient must maintain a certified log or timesheets for volunteers to support in-kind match.

Finally, in its response, CDCJ stated that it has a match waiver policy approved by OVC and has requested approval from OVC to retroactively waive the match for the subrecipients to remedy the \$207,727 in unsupported cash match.

This recommendation can be closed when we receive documentation supporting that OJP has remedied the \$207,727 in unsupported in-kind match.

5. Ensure that CDCJ develops and implements policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients maintain adequate supporting documentation for in-kind match volunteer time.

CDCJ concurred with our recommendation. In its response, CDCJ stated that agencies should have volunteers maintain a calendar or timesheet that the volunteer dates and approves on at least a monthly basis. CDCJ stated it will

provide further guidance to grantees through post award training and a technical assistance document that will be created after further clarification from OVC. CDCJ also included further clarification in its revised monitoring plan.

This recommendation can be closed when we receive documentation supporting that CDCJ has fully implemented revised policies and procedures to ensure that subrecipients maintain adequate support for in-kind match volunteer time.

6. Work with CDCJ to remedy \$22,338 in unallowable cash personnel match.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$22,338 in questioned costs, related to unallowable cash personnel matching expenditures, and will work with CDCJ to remedy, as appropriate.

CDCJ concurred with our recommendation. In its response, CDCJ stated it has a match waiver policy approved by OVC and has requested approval from OVC to retroactively waive the match for the subrecipients to remedy the \$22,338 in unsupported cash match.

This recommendation can be closed when we receive documentation supporting that OJP has remedied the \$22,338 in unallowable cash match.

7. Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are not including costs charged to the awards as reported match.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients are not including the same costs as both Federal and matching expenditures.

CDCJ generally concurred with our recommendation. In its response, CDCJ stated that in addition to enhanced monitoring reviews of subrecipients, it will continue its current monitoring and review of supporting documentation practices.

While we understand that CDCJ has monitoring procedures and documentation requirements for subrecipients, based on our audit, CDCJ's monitoring policies and practices should be enhanced to ensure that subrecipients are not including costs charged to the awards as reported match.

This recommendation can be closed when receive documentation supporting that CDCJ has fully developed and implemented policies and procedures to ensure that subrecipients are not including costs charged to the awards as reported match.

8. Ensure CDCJ develops and implements policies and procedures to ensure subrecipients are maintaining adequate documentation to support PMT performance data.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with CDCJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients are maintaining adequate documentation to support Performance Measurement Tool (PMT) performance data.

CDCJ concurred in part with our recommendation. In its response, CDCJ stated the monitoring conducted by OVC includes a process to verify quarterly data previously submitted from each subrecipient while on site. Additionally, CDCJ stated that subrecipient PMT data is checked quarterly by CDCJ staff for anomalies.

CDCJ also stated that, while this process may have not been clear to the OIG, the revised monitoring plan outlines what steps CDCJ will take to check documentation supporting subrecipients PMT data while on site. We partially disagree with this statement. We were not unclear about CDCJ's policies and procedures for monitoring subrecipients and verifying PMT performance data. We were able to verify that CDCJ was conducting subrecipient monitoring, during which CDCJ identified some of the issues included in this report. However, as stated in this report, we found that subrecipients were not maintaining adequate documentation to support PMT performance data. Specifically, we were unable to reconcile the PMT data submitted by three of the seven subrecipients we reviewed to the supporting documentation provided. Additionally, one subrecipient did not maintain data with unique identifiers, which prevented us from ensuring the PMT data was free of duplicates. Therefore, CDCJ's current practices are not sufficient to ensure that its subrecipients are maintaining adequate documentation to support PMT performance data.

This recommendation can be closed when we receive documentation supporting that CDCJ has fully implemented the updated policies and procedures to ensure subrecipients are maintaining adequate documentation to support PMT performance data.