



Audit of the Office of Justice Programs Victim
Compensation Grants Awarded to the
New Hampshire Department of Justice,
Concord, New Hampshire

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21-081

JUNE 2021



EXECUTIVE SUMMARY

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Objective

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

Results in Brief

As a result of our audit, we concluded that NHDOJ used its funding to enhance its crime victim compensation program.

However, we identified several opportunities where NHDOJ could enhance its victim compensation claims process and performance reporting policies and procedures.

Recommendations

Our report contains two recommendations to assist the NHDOJ in improving its grant management and administration. Responses to our draft report from the NHDOJ and the OJP can be found in Appendix 2 and 3, respectively.

Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two Victims of Crime Act (VOCA) victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the NHDOJ in Concord, New Hampshire. The OVC awarded these formula grants, totaling \$334,000 in fiscal years (FY) 2016 and 2017, from the Crime Victims Fund (CVF) to provide financial support through the payment of compensation benefits to crime victims throughout New Hampshire. As of May 2020, the NHDOJ drew down the full award for each of the grants we reviewed.

Program Accomplishments

We found NHDOJ used its VOCA victim compensation funding to enhance compensation for crime victims.

Grant Financial Management

We found NHDOJ generally complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. However, we determined NHDOJ could improve its controls when processing victim compensation claims to ensure all claims are processed in accordance with state and federal criteria and that required supporting documentation is maintained.

Performance Reports

We determined NHDOJ should revise its performance reporting procedures to ensure program accomplishments funded by non-VOCA federal grants are excluded from its VOCA reports.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the New Hampshire Department of Justice (NHDOJ) in Concord, New Hampshire. The OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in the Table, from fiscal years (FY) 2016 to 2017, these OVC grants to NHDOJ totaled \$334,000.

Table

Audited Grants
Fiscal Years 2016 – 2017

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2016-VC-GX-0062	9/19/2016	10/1/2015	9/30/2019	\$179,000
2017-VC-GX-0061	9/28/2017	10/1/2016	9/30/2020	155,000
Total:				\$334,000

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. VOCA victim compensation formula grant funds are available each year to states and territories for distribution to eligible recipients.

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

The Grantee

As the New Hampshire state administering agency, the NHDOJ is responsible for administering the VOCA victim compensation program. The NHDOJ performs the constitutional, statutory, and common law duties of the Attorney General. Its mission is to seek to do justice in all prosecutions, to provide the State with legal

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

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

representation and counsel of the highest quality, to protect the State's environment and the rights of its consumers, and to provide supervision and leadership of New Hampshire law enforcement.

According to New Hampshire statute, the Victims' Compensation Program is administered by the Victims' Assistance Commission (the Commission) and Victims' Compensation Unit (the Unit) within NHDOJ. The Commission is composed of up to five members that are appointed by the Attorney General and approved by the Executive Council. The Unit is staffed by three full-time employees that are responsible for processing victim compensation claims for approval by a quorum of at least three Commission members. The Unit is also responsible for processing and approving victim compensation payments.

OIG Audit Approach

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

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, VOCA compensation program guidelines (VOCA Guidelines), DOJ Grants Financial Guide, New Hampshire victim compensation statutes, New Hampshire Code of Administrative Rules for Victims' Compensation (the Rules), and NHDOJ policies and procedures as our primary criteria. We reviewed relevant NHDOJ policies and procedures, interviewed NHDOJ personnel to determine how they administered the VOCA funds, and reviewed NHDOJ records reflecting grant activity.³

³ Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further details on the criteria we applied for our audit.

Audit Results

Grant Program Planning and Execution

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

Overall, we determined that NHDOJ's implementation of its victim compensation program was generally appropriate and aligned with the VOCA Guidelines. We also found that NHDOJ performed various forms of outreach to bring awareness to the program. However, we determined NHDOJ's process for updating, or implementing new, policies and procedures should be improved to ensure its guidance for processing victim compensation claims is compliant with state requirements. We also found that NHDOJ should ensure that required supporting documentation for claim decisions and calculations is maintained to facilitate audit and review.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims directly for expenses incurred from criminal victimization. As the state administering agency for New Hampshire, NHDOJ is responsible for the victim compensation program, including meeting all financial and programmatic requirements. When processing claims for victims, NHDOJ administered its program under the Rules, which are the victim compensation program requirements designed by the New Hampshire Attorney General and approved by the state legislature. In assessing NHDOJ's implementation of its victim compensation program, we analyzed its Rules and other supplemental policies and procedures governing the decision-making process for individual compensation claims, as well as efforts undertaken by NHDOJ to bring awareness to victims eligible for compensation program benefits.

Based on our assessment, we found NHDOJ established a process for intaking applications and determining whether claimants were victims of eligible crimes. We also found NHDOJ established adequate segregation of duties between responsible staff that reviewed claims and those that processed payments. Finally, we found that NHDOJ made efforts to enhance public awareness of available victim compensation benefits through outreach efforts that included training law enforcement agencies and victim service providers, and displaying posters in hospitals, universities, and advocacy centers.

Although we found that NHDOJ established processes for compensating victims and survivors of criminal violence, we determined it did not periodically review and update, or create new, policies and procedures necessary to fully implement compliance requirements imposed by the Rules. We discuss these issues further in the Grants Financial Management section of the report.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides OVC the necessary information to determine grant award amounts. The certification form must include all sources of revenue to a state's crime victim compensation program during the federal fiscal

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

We assessed NHDOJ's controls for preparing the annual certification forms submitted to the OVC for FYs 2014 through 2019, which were used to calculate the award amounts granted in FYs 2016 through 2021. We reviewed the annual certification forms, including the financial supporting documentation for the payouts certified in Part 1 of the form. To accomplish this, we reconciled payments and refunds to NHDOJ's accounting system records, reconciled restitution receipts for FY 2019 to the accounting system, and reviewed restitution receipts for the month of November 2018.

We determined the NHDOJ's controls did not ensure that it correctly calculated the amounts reported on its annual certification forms. Specifically, we found errors in the certified amounts that, by our calculation, caused NHDOJ to receive \$46,000 less than it should have received based on its FY 2014, 2015, and 2018 certifications and \$4,000 more than it should have received based on its FY 2016 and 2017 certifications. These errors were caused by NHDOJ's use of claim processing system data that did not reconcile with its accounting system records. Additionally, we determined NHDOJ misclassified state-funded administrative expenditures as victim compensation payments, duplicated restitution payments, and treated payment transfers between its accounts as refunds. We discussed these issues with the official responsible for preparing the certification. They agreed with our results and provided us revised certification policies and procedures that included additional details and instructions for preparing the forms. We determined with reasonable assurance that the revised policies and procedures addressed the discrepancies we identified.

Program Requirements and Performance Reporting

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

Based on our overall assessment in the areas of program requirements and performance reporting, we determined NHDOJ: (1) did not implement adequate procedures to compile annual performance reports, and (2) was compliant with the two special conditions we tested.

Annual Performance Reports

Each state administering agency must submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, state administering agencies are required to produce the Annual State Performance Report and provide it to OJP.

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

We assessed whether the NHDOJ's FY 2018 quarterly performance reports accurately reflected its victim compensation program's performance. We reconciled claim processing system reports that NHDOJ generated as supporting documentation to its FY 2018 quarterly performance reports submitted to OVC.

Based on our review, the performance data did not match precisely, with some metrics being under reported and others over reported. We determined the discrepancies were caused by data entry errors and limitations with the data system that required NHDOJ to overwrite data fields used to prepare its progress reports. However, the discrepancies we identified were not significant enough to materially impact the accuracy of the performance reports.

Additionally, we determined NHDOJ's performance reports included accomplishments and payments funded by other federal grants. Specifically, NHDOJ reported claim and payment data for sexual assault forensic exams funded by Violence Against Women Act grants. By including performance data funded by other federal grants, we determined data reported to OVC may not be accurate and could overstate actual accomplishments. As a result, we recommend OJP work with NHDOJ to enhance its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.

Compliance with Special Conditions

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

We tested NHDOJ's compliance with two special conditions listed below and found that NHDOJ complied with these conditions.

- Ensure that at least one key grantee official attends the annual VOCA National Training Conference.
- Both the point of contact and all financial points of contact for this award must have successfully completed the OJP Financial Management and Grant Administration Training.

Grant Financial Management

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of the NHDOJ's financial management of the VOCA victim compensation grants, we reviewed the process NHDOJ used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. We also interviewed NHDOJ personnel who were responsible for financial aspects of the grants, reviewed NHDOJ written policies and procedures, inspected award documents, and reviewed financial records.

To further evaluate NHDOJ's financial management of the VOCA victim compensation grants, we reviewed New Hampshire's most recent Single Audit Report for FY 2019 and recent OJP Site Visit reports. From our review we identified Federal Financial Reports (FFR) and drawdown issues cited in the Single Audit Report. We did not identify any outstanding issues from the OJP Site Visit reports we examined.

Single Audit Report

Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended (Single Audit Act). The Single Audit Act requires recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. NHDOJ had four Single Audit Report findings reported in FY 2019 for its OVC grants awarded in FYs 2015 to 2017. We determined two of these findings were relevant to our audit of NHDOJ's administration of the Victim Compensation grants under audit.

The single audit identified instances where NHDOJ's drawdowns and FFRs did not reconcile with its accounting system records. Additionally, the auditors determined NHDOJ did not maintain copies of expenditure tracking spreadsheets used to support its FFR quarterly reporting. As part of its Corrective Action Plan in response to these audit findings, NHDOJ revised its Grants Management Unit Policy and Procedure manual (GMU Manual) in September 2020 to ensure drawdowns and FFRs are prepared using both the state's accounting system records and reconciled with its supplemental expenditure tracking spreadsheets. The supplemental tracking spreadsheets were also to be retained as supporting documentation. Additionally, the NHDOJ's revised GMU Manual states that expenditures are to be coded in the accounting system to facilitate tracking by grant award number. This would also allow for independent verification of amounts requested for drawdowns and reported on FFRs.

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 NHDOJ managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in NHDOJ's accounting system and accompanying financial records. We also tested drawdowns to ensure that amounts requested could be independently verified by complete and accurate supporting documentation.

For the VOCA victim compensation awards, NHDOJ generally made monthly drawdowns calculated on a reimbursement basis, and both awards were fully drawn down as of May 2020. From our review of drawdowns for each award, we determined NHDOJ made excess drawdowns it could not support under the 2016 grant (totaling \$61,356) and 2017 grant (totaling \$40,453) and corrected these errors in March 2019. Before making the corrections, NHDOJ was not in compliance with the 10-day rule and carried excess cash for more than 12 months under the 2016 grant and approximately 6 months for the 2017 grant. Based on our review, we determined NHDOJ made the excess drawdowns because it did not reconcile accounting system expenditure totals between supplemental expenditure tracking spreadsheets created for each grant, including periods when it recorded expenditures in two separate spreadsheets. As discussed in the Single Audit Report section of this report, we determined that NHDOJ has since revised its grant accounting policies and procedures to address this weakness and ensure its drawdowns comply with the 10-day rule.

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 NHDOJ submitted accurate FFRs, we reviewed all FFRs for the periods NHDOJ charged expenditures to the grants and compared the reported totals to its accounting system records.

We determined the quarterly FFRs submitted throughout the grant award period did not reconcile with the accounting system data, but noted that NHDOJ corrected the issue before the end of the grant and revised its grant accounting policies and procedures to address this issue.

Grant Expenditures

State administering agency VOCA compensation expenses fall into two overarching categories: (1) compensation claim payments – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of compensation claim payments by reviewing accounting system records and verifying supporting documentation for select transactions. We did not test administrative expenditures as part of this audit because we determined NHDOJ charged only a nominal amount to these grants.

Victim Compensation Claim Expenditures

Victims of crime in the state of New Hampshire submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. The NHDOJ Victim Compensation Unit staff process claims and provide initial claims approval. The Victims' Assistance Commission provides final approval after adjudicating claims for eligibility. Claims are paid from available state funding supplemented by VOCA victim compensation grants.

To evaluate the NHDOJ's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, and in accordance with the policies of the VOCA Guidelines and the Rules. From a total of \$1.8 million in claim payments made from multiple funding sources between October 2018 and June 2020, we judgmentally selected for detailed testing 124 payments funded by state and federal funds from 56 claimants totaling \$260,200. We reviewed a wide sampling of payments that included costs in the following categories: medical, dental, funeral, relocation, sexual assault forensic exam, lost wages, loss of support, crime scene clean-up, security systems, and mileage reimbursement.

In our testing, we determined that NHDOJ generally approved compensation payments in compliance with the Rules. However, we identified minor instances where compensation payments were: (1) allowable but not calculated correctly, (2) not supported by adequate documentation necessary to assess compliance with the Rules, and (3) not paid in compliance with the Rules.

We determined these discrepancies were related to deficiencies in aspects of NHDOJ's internal controls for processing victim compensation. Specifically, we found the Rules lacked adequate guidance for adjudicating certain types of expenditures, supplemental written policies and procedures used to apply the Rules were

incomplete or did not provide adequate guidance and instructions, documentation developed to facilitate claims processing did not always capture information necessary to ensure compliance with the Rules, and NHDOJ did not formally implement program changes after it allowed its Rules to expire for more than 2 years.

Although the monetary value for the issues we identified during our testing was not significant within the scope of our audit, we consider the risks we identified as significant enough to make a recommendation. As a result, we recommend OJP ensure NHDOJ implements a process to review its internal controls specific to updating existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with its Code of Administrative Rules for Victim Compensation and that required supporting documentation is maintained to facilitate audit and review of approved claim payments.

Claim Determinations and Appeals

We judgmentally selected and reviewed a sample of approved, denied, and appealed claims and assessed whether the available documentation maintained in NHDOJ's case files adequately supported the claim determinations. We reviewed available file documentation that included: the application, the police report from law enforcement agency, and other relevant documentation supporting the circumstances involved with the crime. Based on our review, we determined that NHDOJ generally maintained documentation that supported its claim determinations for approved and denied claims and appeal decisions

Conclusion and Recommendations

We found that NHDOJ generally used its grant funds to compensate victims according to VOCA and state-imposed requirements. We did not take issue with victim compensation expenditures we tested or the NHDOJ's current policies and procedures for creating federal financial reports and requesting drawdowns. However, we identified opportunities for NHDOJ to enhance its internal controls for processing victim compensation payments, including developing new and periodically updating existing written policies and procedures to better ensure victim compensation payments comply with the Rules and necessary supporting documentation is maintained to facilitate audit and review. We also believe that enhanced policies and procedures will help ensure accurate reporting of performance accomplishments attributed to VOCA funding.

We recommend that OJP:

1. Work with NHDOJ to enhance its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.
2. Ensure NHDOJ implements a process to review its internal controls specific to updating existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with its *Code of Administrative Rules for Victim Compensation* and that required supporting documentation is maintained to facilitate audit and review of approved claim payments.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

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

Scope and Methodology

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

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grants 2016-VC-GX-0062 and 2017-VC-GX-0061 from the Crime Victims Fund (CVF) awarded to the NHDOJ. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$334,000 to NHDOJ, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2015, the project start date for VOCA compensation grant number 2016-VC-GX-0062, through February 2021. As of May 2020, the NHDOJ had drawn down the \$334,000 from the two audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of NHDOJ's activities related to the audited grants, which included conducting interviews with NHDOJ officials, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures, state certifications, 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, VOCA compensation program guidelines, DOJ Grants Financial Guide, state compensation criteria, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as the NHDOJ 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 NHDOJ to provide assurance on its internal control structure as a whole. NHDOJ management is responsible for the establishment and maintenance of internal controls in

accordance with 2 C.F.R. §200. Because we do not express an opinion on the NHDOJ’s internal control structure as a whole, we offer this statement solely for the information and use of the NHDOJ and OJP.⁴

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

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

We assessed the design, implementation, and operating effectiveness of these internal controls implemented at the time of our audit. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to 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.

⁴ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: The New Hampshire Department of Justice Response to the Draft Audit Report

ATTORNEY GENERAL DEPARTMENT OF JUSTICE

33 CAPITOL STREET
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JOHN M. FORMELLA
ATTORNEY GENERAL



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May 17, 2021

Thomas O. Puerzer
Regional Audit Manager Philadelphia Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
701 Market Street, Suite 2300
Philadelphia, PA 19106
VIA: Electronic Mail at: Thomas.O.Peuzer@usdoj.gov

Dear Mr. Puerzer:

The New Hampshire Department of Justice (NHDOJ) appreciates the opportunity to respond to the Draft Audit Report received by our office on April 28, 2021. The Draft Audit Report covers the Office of Justice Programs (OJP) Victims of Crime Act Victim Compensation Formula Grant for Federal Fiscal 2016 through 2017. The purpose of this letter is to provide a formal response to the recommendations contained in the Draft Audit Report.

The Draft Audit Report contains two recommendations:

- **Recommendation #1** – OJP work with NHDOJ to enhance its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.
 - **Response #1** – The NHDOJ concurs with this recommendation and has immediately implemented this recommendation effective Federal Fiscal Year 2021. Performance reports to OJP no longer reflect accomplishments funded by other federal programs. NHDOJ is currently working on policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports. The NHDOJ anticipates this recommendation will be remedied on or before December 31, 2021.
- **Recommendation #2** - Ensure NHDOJ implements a process to review its internal controls specific to updating existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with its *Code of*

Administrative Rules for the Victim Compensation and that required supporting documentation is maintained to facilitate audit and review of approved claim payments.

- **Response #2** – The NH DOJ concurs with this recommendation and is currently working on policies and procedures for processing victim compensation claims and ensuring the required supporting documentation is maintained to facilitate audit and review of approved claims. NHDOJ is also currently working on internal controls specific to updating existing and implementing new policies and procedures. The NH DOJ anticipates this recommendation will be remedied on or before December 31, 2021.

Thank you for the opportunity to respond to the recommendation. Please feel free to contact me if you have any questions. I can be reached by phone at 603-271-1234 or e-mail kathleen.b.carr@doj.nh.gov.

Sincerely,



Kathleen Carr
Director of Administration
NH Department of Justice

APPENDIX 3: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 20, 2021

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

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the New Hampshire Department of Justice, Concord, New Hampshire*

This memorandum is in reference to your correspondence, dated April 28, 2021, transmitting the above-referenced draft audit report for the New Hampshire Department of Justice (NHDOJ). We consider the subject report resolved and request written acceptance of this action from your office.

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

- 1. We recommend that OJP work with NHDOJ to enhance its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.**

OJP agrees with the recommendation. We will coordinate with the NHDOJ to obtain a copy of written policies and procedures, developed and implemented, to enhance its performance reporting process, to ensure that accomplishments funded by other Federal programs are excluded from performance reports for its Victim Compensation grants.

2. **We recommend that OJP ensure NHDOJ implements a process to review its internal controls specific to updating existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with its Code of Administrative Rules for Victim Compensation and that required supporting documentation is maintained to facilitate audit and review of approved claim payments.**

OJP agrees with the recommendation. We will coordinate with the NHDOJ to obtain a copy of written policies and procedures, developed and implemented, to strengthen its internal controls for processing victim compensation claims, to ensure that payments are in compliance with its Code of Administrative Rules for Victim Compensation, and that the required supporting documentation is maintained for future auditing purposes.

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

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Control Number IT20210428142240

APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the New Hampshire Department of Justice (NHDOJ). NHDOJ's response is incorporated in Appendix 2 and OJP's response in Appendix 3 of this final report. In response to our draft audit report NHDOJ concurred with both recommendations and proposed corrective actions it intends to complete. OJP agreed with our recommendations, and as a result the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation for OJP:

- 1. Work with NHDOJ to enhance its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.**

Resolved. OJP agreed with our recommendation. In its response OJP said it will coordinate with NHDOJ to obtain a copy of written policies and procedures, developed and implemented, to enhance its performance reporting process to ensure that accomplishments funded by other federal programs are excluded from performance reports for its Victim Compensation grants. As a result, this recommendation is resolved.

NHDOJ concurred with this recommendation and said it is currently working on policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports. NHDOJ anticipates this recommendation will be remedied on or before December 31, 2021.

This recommendation can be closed when we receive documentation demonstrating NHDOJ enhanced its performance reporting policies and procedures to ensure accomplishments funded by other federal programs are excluded from its performance reports.

- 2. Ensure NHDOJ implements a process to review its internal controls specific to updating existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with its *Code of Administrative Rules for Victim Compensation* and that required supporting documentation is maintained to facilitate audit and review of approved claim payments.**

Resolved. OJP agreed with our recommendation. In its response OJP said it will coordinate with the NHDOJ to obtain a copy of written policies and procedures, developed and implemented, to strengthen its internal controls for processing victim compensation claims, to ensure that payments are in compliance with its Code of Administrative Rules for Victim Compensation, and that required supporting documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

NHDOJ concurred with this recommendation and said it is currently working on policies and procedures for processing victim compensation claims and ensuring the required supporting documentation is maintained to facilitate audit and review of approved claims. NHDOJ commented that it is also working on internal controls specific to updating existing and implementing new policies and procedures and anticipates this recommendation will be remedied on or before December 31, 2021.

This recommendation can be closed when we receive documentation demonstrating NHDOJ implemented a process to review its internal controls specific to updating its existing, and implementing new, policies and procedures for processing victim compensation claims so that payments are compliant with the Code of Administrative Rules for Victim Compensation and that required supporting documentation is maintained for future auditing purposes.