



Audit of the Office of Justice Programs Victim Assistance
Funds Subawarded by the Illinois Criminal Justice
Information Authority to Beds Plus Care,
La Grange, Illinois



AUDIT DIVISION

22-093

JULY 2022

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redaction is contained only in Appendix 3, the grantee's response, and is of an individual's name.

FOR PUBLIC RELEASE



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Illinois Criminal Justice Information Authority to Beds Plus Care, La Grange, Illinois

Background

The U.S. Department of Justice, Office of Justice Programs (OJP) provided funds to the Illinois Criminal Justice Information Authority (ICJIA) to make subawards to support victim assistance programs in the state of Illinois. ICJIA awarded \$368,019 in crime victim assistance funds to Beds Plus Care under one subaward in March 2020. The purpose of this subaward was to provide transitional housing services to victims of crime. In total, ICJIA reimbursed Beds Plus Care for a cumulative amount of \$278,777 for the subaward we reviewed.

Audit Objective

The objective of this Department of Justice Office of the Inspector General (OIG) audit was to review how Beds Plus Care used these funds to assist crime victims and assess whether it accounted for these Crime Victims Fund (CVF) monies in compliance with select award requirements, terms, and conditions.

Summary of Audit Results

We concluded that Beds Plus Care provided services to victims of crime in southwest Cook County, Illinois. However, we found that Beds Plus Care could improve certain areas of its award management, to include establishment of written policies and protocols and subaward financial management. We also found contractual costs that were outside the allowable subaward period.

Program Performance

The audit concluded Beds Plus Care provided transitional housing services to victims of crime in Illinois; however, Beds Plus Care lacked comprehensive written policies governing the award-funded program, as well as protocols outlining the duties of its CVF-funded officials and staff.

Financial Management

The audit concluded that Beds Plus Care needs to improve its accounting practices to properly account for subawarded CVF funds. In addition, as a result of our testing, we questioned \$25,270 in unallowable contractual costs that were outside the allowable subaward period.

Recommendations

Our report contains three recommendations to ICJIA and OJP to assist Beds Plus Care in improving its award management and administration. We provided our draft audit report to Beds Plus Care, ICJIA, and OJP, and their responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

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Introduction

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund (CVF) supports crime victims through state and local victim assistance and compensation initiatives.¹ The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of Beds Plus Care’s use of CVF funds subawarded by the Illinois Criminal Justice Information Authority (ICJIA). The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) provided CVF victim assistance formula grants to ICJIA, as a State Administering Agency (SAA) for Illinois, to make subawards to direct victim service providers across the state. As a direct service provider located in La Grange, Illinois, Beds Plus Care received a subaward from ICJIA totaling \$368,019; these funds originated from ICJIA’s 2018 federal grant, as shown in Table 1.²

Table 1

Audited Subaward to Beds Plus Care from ICJIA

ICJIA Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
218088	2018-V2-GX-0070	3/1/2020	8/31/2021	\$368,019

Source: JustGrants and ICJIA

According to OJP’s program guidelines, victim assistance services eligible to receive CVF support must: (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. Direct service providers receiving CVF victim assistance subawards thus may provide a variety of support to victims of crime, to include offering help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

Beds Plus Care

Beds Plus Care is a charitable non-profit organization whose mission is to help vulnerable individuals stabilize their lives through housing and supportive services in southwest Cook County, Illinois. The organization was founded in 1988 by local faith-based organizations as an emergency overnight homeless shelter program. In 2019, Beds Plus Care officials determined that there was an increase in demand for transitional housing services and, as a result, applied for and received subaward funds from ICJIA. ICJIA

¹ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. 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.

² Beds Plus Care originally received a \$372,440 subaward with a February 2021 end date. ICJIA later reduced the award amount and extended the period of performance for this subaward. Ultimately, Beds Plus Care spent only \$278,777 of its subawarded CVF funds, and ICJIA re-allocated the balance of unused funds to other victim service providers in Illinois.

granted Beds Plus Care a subsequent subaward, starting immediately after the initial subaward, also for transitional housing services. According to subaward documentation, Beds Plus Care offers multiple services for victims of crime, including emergency services, supportive housing, and case management. In its fiscal year ending June 30, 2021, Beds Plus Care reported that, through all its funding sources, it provided services—from short term emergency overnight sheltering to long-term case management—for a total of 2,802 individuals and plans to open a new service center in the summer of 2022.

OIG Audit Approach

The objective of this audit was to review how Beds Plus Care used the CVF funds received through a subaward from ICJIA to assist crime victims and assess whether Beds Plus Care accounted for these CVF monies in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed areas of program performance and financial management.

At the start of the audit, we solicited feedback from ICJIA officials regarding Beds Plus Care's record of delivering crime victim services, accomplishments, and compliance with SAA award requirements.³ The officials did not express any significant concerns with Beds Plus Care's ability to provide services to victims of crime or its compliance with the award requirements.

We tested compliance with what we considered to be the most important conditions of the subaward. The DOJ Grants Financial Guide, VOCA Guidelines and Final Rule, ICJIA guidance, and the OVC and SAA award documents constitute the primary criteria we applied during this audit.

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

³ As an SAA, ICJIA is responsible for monitoring the performance of, providing technical assistance to, collecting data from, and processing victim assistance reimbursements requested by Beds Plus Care. Therefore, we considered the results of our audit of victim assistance grants awarded to ICJIA in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Office for Victims of Crime Victim Assistance Formula Grants Awarded to the Illinois Criminal Justice Information Authority, Chicago, Illinois](https://oig.justice.gov/sites/default/files/reports/20-118.pdf), Audit Report 20-118 (September 2020), <https://oig.justice.gov/sites/default/files/reports/20-118.pdf>

Audit Results

Program Performance

As established by the VOCA legislation, CVF subawards are available to subrecipients for the purpose of providing direct services to victims. Beds Plus Care received its CVF funding from ICJIA for the purpose of providing transitional housing to victims of crime. To assess Bed Plus Care's performance of its CVF-related activities, we obtained an understanding of its standard operating procedures governing the subaward-funded activities. We also reconciled documents describing Beds Plus Care's approach for its use of CVF funds to Beds Plus Care's activity records to verify that services were rendered as planned. Overall, we concluded that Beds Plus Care provided transitional housing services to victims of crime; however, Beds Plus Care lacked both comprehensive written policies governing the award-funded program and protocols outlining the duties of its CVF-funded officials and staff, as detailed below.

Program Implementation

According to the DOJ Grants Financial Guide, recipients of federal awards should maintain a well-designed and tested system of internal controls. The Guide further defines internal controls as a process implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in: (1) the effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations.

To obtain an understanding of its standard operating procedures in relation to the subaward-funded activities, we conducted interviews with multiple officials, including the Executive Director and Chief Financial Officer. These officials informed us of their program operations, which they said included receiving clients from referrals or walk-ins, assessing individual client circumstances, matching individuals with available housing, providing monetary assistance for rent, and working with the client to become financially independent.

We asked Beds Plus Care for written policies related to its CVF-funded activities (such as its intake procedures, client and landlord screening, and case management processes) as well as documentation of the assignment of responsibilities in executing those CVF-funded activities. Beds Plus Care officials stated that they did not have written policies for their CVF-funded operations, including protocols for the assignment of essential functions. While we did not identify any deficiencies in the officials' described practices, we believe that in order to ensure continuity of CVF-funded services, particularly when there is a possibility of staff turnover, recipients should have formalized documentation outlining both CVF-funded programmatic policies and key responsibilities for program operations. We believe that such formal, written policies and protocols promote effectiveness and efficiency of operations, reliability of reporting, and compliance with federal award requirements. Therefore, we recommend that OJP and ICJIA ensure that Beds Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.

Program Services

Beds Plus Care received CVF funds to provide transitional housing services to victims of crime, as outlined in its award application and approved subaward package for the audited 2020 subaward. To verify that Beds

Plus Care provided transitional housing services, we interviewed Beds Plus Care staff, verified housing contracts, and examined other supporting documentation. Beds Plus Care staff provided us with case files for all 20 clients and their dependents who had transitional housing partially funded through this subaward, and we reviewed 10 of those case files on site at Beds Plus Care's facility. By examining those case files, we concluded that Beds Plus Care performed due diligence in vetting individuals applying for services, communicated the terms and conditions of receiving services, provided housing for crime victims, and worked with the individuals to improve their financial situations.

Financial Management

According to the DOJ Grants Financial Guide, all award recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We spoke with officials, obtained transaction documentation, and verified a sample of expenditures to determine whether Beds Plus Care adequately accounted for the funds we audited.

Overall, we concluded that Beds Plus Care's financial management and its accounting for and documenting of award expenditures could be improved. We also identified \$25,270 in client assistance costs incurred after the subaward's performance period expired.

Fiscal Operations

According to the DOJ Grants Financial Guide, an accounting system and the system of internal controls should, at a minimum, include documented written procedures. Additionally, the DOJ Grants Financial Guide states that poor or no internal controls provide an opening for theft. At the start of the audit, we interviewed Beds Plus Care fiscal staff about their procedures. The staff described procedures that included adequate segregation of duties and levels for reviews and approvals. We asked Beds Plus Care officials for their written financial procedures, which they provided. We reviewed them and found that they were lacking in several areas, namely compliance with federal award requirements related to subaward financial management. However, in May 2022, Beds Plus Care provided us with recently implemented written fiscal procedures. We reviewed these procedures and found that they address award requirements compliant with federal policies. Therefore, we do not have a recommendation in this area.

In addition, when we obtained the ledger of transactions charged to the subaward from Bed Plus Care's accounting software, we identified transactions that did not appear to be related to the subaward. Officials from Beds Plus Care confirmed that they had mislabeled the charges. They then provided us a revised ledger, which Beds Plus Care officials had tried to manually reconcile. The revised ledger did not appear to contain the mislabeled charges, but it did contain four transactions that were duplicated. While the amount of these duplicated transactions is not material, we believe that the errors within the accounting records and Beds Plus Care's difficulty in providing us with accurate financial records is an indicator that the accounting practices are not sufficiently adequate to safeguard federal funds. Therefore, we recommend that OJP and ICJIA require Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.

Subaward Expenditures and Matching Costs

Subrecipients request payment from ICJIA via quarterly or monthly electronic reimbursement. For the audited subaward, Beds Plus Care's approved budget categories included personnel costs and contractual

expenses such as housing costs. In total, from March 2020 through August 2021, ICJIA reimbursed Beds Plus Care for a cumulative amount of \$278,777 in CVF funds for personnel and contractual costs incurred. According to Beds Plus Care officials, they were not able to utilize all the funds due to unforeseen challenges resulting from the COVID-19 pandemic, particularly difficulties in finding temporary housing amid the early days of the public health crisis. ICJIA informed us that it re-allocated the balance of \$89,242 in unused funds to other victim service providers in Illinois.

We reviewed a sample of Beds Plus Care's transactions to determine whether the costs charged to the projects and paid with CVF funds were accurate, allowable, and in accordance with VOCA program requirements. We judgmentally selected expenditures totaling \$80,884, representing 29 percent of expended and reimbursed subaward funds. The transactions we reviewed included costs within the personnel and contract budget categories. We also verified Beds Plus Care's provision of matching funds for 3 of the 7 quarterly periods within the subaward. Unless noted below, the transactions tested were allowable and adequately supported.

Contractual Costs

To test contractual costs charged to the subaward, we selected an initial sample of 13 contractual cost transactions from Beds Plus Care's accounting records. These expenses included rent, utilities, and other miscellaneous services related to client assistance. We reviewed accounting records and supporting documentation and identified transactions for services performed after the subaward ending date of August 31, 2021. After inquiring further, we determined that Beds Plus Care charged the subaward for 21 months' worth of advance rent payments for September and October 2021, which was after the subaward's performance period had ended. We brought this to the attention of Beds Plus Care management who subsequently initiated procedures with ICJIA to remedy these unallowable costs. As of the publication of this report, the costs had not yet been fully remedied. Therefore, we recommend that OJP and ICJIA remedy the \$25,270 in unallowable costs occurring outside the subaward period of performance.

Matching Requirement

VOCA Guidelines generally require that subrecipients match 20 percent of each subaward unless the subrecipient receives a waiver. 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.⁴ The SAA has primary responsibility for ensuring subrecipient compliance with match requirements.

To test the provision of matching funds, we reviewed match-related transactions for 3 of the 7 quarters of the subaward period. We found that Beds Plus Care's reported total of matching funds provided was approximately \$1,630 less than required, but we also identified personnel expenditures that Beds Plus Care could have charged to match that far outweighed this amount. Therefore, we believe that Beds Plus Care met its matching funds requirement; however, Beds Plus Care needs to improve its recording and reporting

⁴ 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.

of matching funds. We believe that enhanced accounting practices and formal grant-related fiscal policies and procedures will help ensure compliance with the matching funds requirement. Because Beds Plus Care has recently instituted written policies and procedures and we have already made a recommendation related to accounting practices, we do not make a recommendation here.

Conclusion and Recommendations

As a result of our audit, we concluded that Beds Plus Care assisted victims by providing the services described in its subaward agreement. However, we found that Beds Plus Care lacked written policies and procedures related to program operations. Additionally, Beds Plus Care listed duplicated expenditures within in its ledger, indicating a need for improved accounting practices to safeguard federal funds. Finally, we identified \$25,270 in questioned costs because Beds Plus Care incurred costs outside the allowable period of the subaward. We provide three recommendations to OJP and ICJIA to address these deficiencies.

We recommend that OJP and ICJIA:

1. Ensure that Beds Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.
2. Require Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.
3. Remedy the \$25,270 in unallowable contractual costs.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how Beds Plus Care used the Crime Victims Fund (CVF) funds received through a subaward from the Illinois Criminal Justice Information Authority (ICJIA) to assist crime victims and assess whether Beds Plus Care accounted for these CVF monies in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed areas of program performance and financial management.

Scope and Methodology

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

This was an audit of crime victim funds subawarded to Beds Plus Care. This subaward, totaling \$368,019, was funded by ICJIA from primary Victim of Crime Act (VOCA) grant 2018-V2-GX-0070 awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of September 2021, Beds Plus Care completed its subgrant activity and had received \$278,777 in subaward funds.

Our audit concentrated on, but was not limited to, March 2020 through September 2021. The DOJ Grants Financial Guide, the VOCA Guidelines and Final Rule, ICJIA guidance, and the OVC and ICJIA award documents constitute the primary criteria we applied during the audit. As a result of the COVID-19 pandemic response, we performed our audit fieldwork primarily in a remote manner.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Beds Plus Care's activities related to the audited subaward, which included conducting interviews with ICJIA and Beds Plus Care staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for subaward expenditures and client case files. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subaward reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from OJP's JustGrants system, as well as documents submitted to ICJIA specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of Beds Plus Care to provide assurance on its internal control structure as a whole. Beds Plus Care's 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 Beds Plus Care's internal control structure as a whole, we offer this statement solely for the information and use of Beds Plus Care, ICJIA, and DOJ.⁵

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of Beds Plus Care's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over subaward execution and compliance with laws and regulations in our audit scope. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to select 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. Finally, we reviewed Beds Plus Care's Single Audit Report for its fiscal year 2021, which was its first single audit. DOJ funds were not identified as a major program, and the report had no findings.

⁵ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Subaward No	Amount	Page
Questioned Costs: ⁶			
Unallowable Contractual Costs Outside of Subaward Period	218088	<u>\$25,270</u>	5
TOTAL DOLLAR-RELATED FINDINGS		<u>\$25,270</u>	

⁶ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: The Beds Plus Care Response to the Draft Audit Report⁷



July 1, 2022

Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General
US Department of Justice
500 West Madison Street, Suite 1121
Chicago, IL 60661

SEND VIA EMAIL

Dear Ms. Tarazka:

Thank you for the opportunity to review and respond to the findings outlined in the Draft Audit Report of the Office of Justice Programs for Victim Assistance Funds. Our staff appreciated the audit process, the staff assigned to our agency and the helpful guidance offered during the process. We are confident that the process has helped strengthen our program and improved the quality of service delivery.

Please accept the following responses to the three findings:

1. Ensure that BEDS Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.

BEDS Plus concurs with this finding and has completed a program guide that outlines the key components of the program funded by the CVF-funded program. All relevant personnel assisted in the development of the program guide and the final version has been circulated to all staff. A copy of the program guide is included in this submission.

2. Require BEDS Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.

BEDS Plus concurs with this finding and has taken many steps to improve the accounting procedures including: revising the agency's financial policies and procedures manual; developing new approval and review protocol for submission of billing; filling the accountant position outlined in the financial policies; and, developing a new master accounting system guide to ensure consistent entry and tracking of transactions. A copy of the revised financial polices and procedures is included in this submission.

⁷ Beds Plus Care included additional documentation with its response. We did not include this documentation in our report due to the size and potentially sensitive information contained in the documents.



3. Remedy the \$25,270 in unallowable contractual costs.

BEDS Plus is ready to remedy the \$25,270 in unallowable contractual expenses. Our team has reached out to the staff at ICUA and we are awaiting instruction. A copy of the last correspondence with ICUA staff is included in this submission.

If you have any questions concerning this audit response, please feel free to contact me at 708-280-5035 or rounds@beds-plus.org. I appreciate your support and instruction.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Rounds", written over a large, light-colored circular scribble.

Tina Rounds
Executive Director
BEDS Plus

CC [REDACTED]

APPENDIX 4: The Illinois Criminal Justice Information Authority Response to the Draft Audit Report



ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY

60 E. Van Buren Street • 6th Floor • Chicago, Illinois 60605 • (312) 793-8550

United States Department of Justice
Office of Justice Programs
Office of Audit, Assessment and Management
Carol.S.Taraszka@usdoj.gov
cc: Linda.Taylor2@usdoj.gov
rounds@beds-plus.org

Ms. Taraszka,

Please find ICJIA's responses below to the DOJ draft audit of Sub-Award number 218088, made by ICJIA under OJP's Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Number 2018-V2-GX-0070, to Beds Plus Care.

A handwritten signature in blue ink, appearing to read "Delrice Adams".

7/5/2022

Delrice Adams

Date

Executive Director

Illinois Criminal Justice Information Authority

ICJIA RESPONSES

1. Ensure that Beds Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.

ICJIA concurs with the recommendation. ICJIA will work with Beds Plus to develop written policies and protocols for the operation of any CVF funded programs, specifically the Victims of Crime Act program. These written policies and protocols are to be submitted to ICJIA within 30 days of notification and once approved will be submitted to the OIG auditors no later than September 30, 2022.

2. Require Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.

ICJIA concurs with the recommendation. ICJIA will work with Beds Plus to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds. ICJIA will require a corrective action plan be submitted within 10 days of notification and implementation of corrections a maximum of 30 days after ICJIA approval of the plan. Proof of implementation will be submitted to the OIG auditors no later than September 30, 2022.

3. Remedy the \$25,270 in unallowable contractual costs.

ICJIA concurs with the recommendation. ICJIA will work with Beds Plus Care to remedy the \$25,270 in unallowable contractual costs. Specifically ICJIA will require submission of supporting documentation showing adjustment to Grantee Fiscal Report and Accounting Records to ICJIA removing the questioned costs from their report as part of a corrective action plan. Grant funds must be returned to ICJIA if unallowable expenditures cannot be reclassified to allowable approved expenditures. ICJIA will require the corrective action plan be submitted within 10 days of notification and implementation of corrections a maximum of 30 days after ICJIA approval of the plan. Proof of implementation will be submitted to the OIG auditors no later than September 30, 2022.

APPENDIX 5: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

July 7, 2022

MEMORANDUM TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds, Sub-awarded by the Illinois Criminal Justice Information Authority to Beds Plus Care, La Grange, Illinois*

This memorandum is in reference to your correspondence, dated June 10, 2022, transmitting the above-referenced draft audit report for Beds Plus Care. Beds Plus Care received sub-award funds from the Illinois Criminal Justice Information Authority (ICJIA), under the Office of Justice Programs' (OJP) Office for Victims of Crime, Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Number 2018-V2-GX-0070. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains three recommendations and \$25,270 in questioned costs. The following is OJP's 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 ensure that Beds Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.**

OJP agrees with the recommendation. In its response, dated July 5, 2022, ICJIA stated that it will work with Beds Plus Care to develop written policies and protocols for the operation of any Crime Victim Fund (CVF)-funded programs, specifically the VOCA. Further, ICJIA stated that Beds Plus Care will be required to submit the written policies and protocols to ICJIA within 30 days of notification and, once approved, the policies and protocols will be submitted to the OJP by no later than September 30, 2022.

Accordingly, we will coordinate with ICJIA to obtain a copy of Beds Plus Care's written policies and protocols specific to CVF-funded program operations, and evidence that the policies and protocols have been distributed to relevant personnel responsible for managing Federal grant funds.

- 2. We recommend that OJP require Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.**

OJP agrees with the recommendation. In its response, dated July 5, 2022, ICJIA stated that it will work with Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for Federal award funds. In addition, ICJIA stated that it will require Beds Plus Care to provide a corrective action plan within 10 days of notification, and that Beds Plus Care must implement the corrective actions within a maximum of 30 days after ICJIA approves the plan. Further, ICJIA stated that, once the plan is implemented, it will provide evidence to OJP by no later than September 30, 2022.

Accordingly, we will coordinate with the ICJIA to obtain a copy of Beds Plus Care's written policies and procedures, developed and implemented, to ensure that its financial records are adequate, and accurately account for Federal award funds.

- 3. We recommend that OJP remedy the \$25,270 in unallowable contractual costs.**

OJP agrees with the recommendation. In its response, dated July 5, 2022, ICJIA stated that it will work with Beds Plus Care to remedy the \$25,270 in unallowable contractual costs, and that it will require Beds Plus Care to provide a copy of the adjusted Grantee Fiscal Report and the accounting records, which document the removal of these questioned costs from the grant. In addition, ICJIA stated that Beds Plus Care will be required to return the grant funds, if the unallowable expenditures cannot be reclassified to allowable and approved expenditures. Further, ICJIA stated that, once the corrective actions are implemented, it will provide evidence to OJP by no later than September 30, 2022.

Accordingly, we will review the \$25,270 in questioned costs, related to unallowable contractual expenditures that were sub-awarded to Beds Plus Care, under Grant Number 2018-V2-GX-0070, and will work with ICJIA to remedy, as appropriate.

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

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

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

cc: Jeffery A. Haley
Deputy Director, Audit and Review Division
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Kristina Rose
Director
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Katherine Darke Schmitt
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Office for Victims of Crime

Kathrina S. Peterson
Deputy Director
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

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

Kerry Lupher
Grants Management Specialist
Office for Victims of Crime

Charlotte Grzebien
Deputy General Counsel

Phillip K. Merkle
Acting Director
Office of Communications

Rachel Johnson
Chief Financial Officer

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

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

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APPENDIX 6: The 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), the Illinois Criminal Justice Information Authority (ICJIA), and Beds Plus Care. OJP's response is incorporated in Appendix 5, ICJIA's response is incorporated in Appendix 4, and Beds Plus Care's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations and, as a result, the status of the audit report is resolved. ICJIA concurred with all three recommendations. Beds Plus Care agreed with two of the recommendations and neither agreed nor disagreed with the third but included planned actions to address it. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP and ICJIA:

- 1. We recommend that OJP and ICJIA ensure that Beds Plus Care establishes written policies and protocols specific to CVF-funded program operations and distributes these among the relevant personnel.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Beds Plus Care to develop written policies and protocols for the operations of any CVF-funded programs.

ICJIA concurred with our recommendation and stated in its response that it will work with Beds Plus Care to develop written policies and protocols for the operation of any CVF-funded programs.

Beds Plus Care concurred with the recommendation. In its response, Beds Plus Care stated that it has completed a program guide that outlines key components of the CVF-funded program, all relevant personnel assisted in the development of the program guide, and the final version has been circulated to all staff.

This recommendation can be closed when OJP provides confirmation that the operational policy developed by Beds Plus Care provides adequate guidance for Beds Plus Care grant funded operations.

- 2. We recommend that OJP and ICJIA require Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with ICJIA to obtain a copy of Beds Plus Care's written policies and procedures, developed and implemented, to ensure that its financial records are adequate and accurately account for federal award funds.

ICJIA concurred with our recommendation and stated in its response that it will work with Beds Plus Care to implement accounting practices that will help ensure the adequacy of its financial records and accurately account for federal award funds.

Beds Plus Care concurred with the recommendation. In its response, Beds Plus Care stated that it has taken many steps to improve its accounting procedures, including revising the agency's financial policies and procedures manual, developing new approval and review protocol for submission of billing, filling the accountant position outlined in the financial policies, and developing a new master accounting system guide to ensure consistent entry and tracking of transactions.

This recommendation can be closed when OJP provides confirmation that the revised financial policy includes adequate guidance for Beds Plus Care's adherence to federal financial guidelines.

3. We recommend that OJP and ICJIA remedy the \$25,270 in unallowable contractual costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$25,270 in questioned costs related to unallowable contractual expenditures that were subawarded to Beds Plus Care under Grant Number 2018-V2-GX-0070 and will work with ICJIA to remedy them.

ICJIA concurred with our recommendation and stated in its response that it will work with Beds Plus Care to remedy the \$25,270 in unallowable contractual costs.

Beds Plus Care neither agreed nor disagreed with our recommendation. However, in its response, Beds Plus Care stated it is ready to remedy the \$25,270 in unallowable contractual expenditures and that it has reached out to the staff at ICJIA and are awaiting instruction.

This recommendation can be closed when we receive evidence that the \$25,270 has been appropriately remedied.