



Audit of the Office of Justice Programs
Victim Assistance Grants Awarded to the
Oregon Department of Justice,
Salem, Oregon



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EXECUTIVE SUMMARY

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Objective

The objective of the audit was to evaluate how the Oregon Department of Justice (OR DOJ) designed and implemented its Victims of Crime Act (VOCA) victim assistance formula grants awarded by the Office of Justice Programs' (OJP) Office for Victims of Crime (OVC). To accomplish this, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Results in Brief

As a result of our audit, we concluded that the OR DOJ distributed its CVF funding to organizations that provide direct services to victims within Oregon. However, we identified several areas where the OR DOJ can improve its administration and oversight of its victim assistance program, including documenting procedures for the tracking, calculating, and updating of its CVF funding allocations to subrecipients, ensuring federal cash on hand is the minimum amount needed to reimburse grant expenditures, implementing controls to govern access to its grant management system, and improving the financial and performance monitoring of its subrecipients. We also questioned \$23,610 in unallowable and \$20,953 in unsupported subrecipient expenditures, and \$8,660 in unsupported match contributions.

Recommendations

Our report contains 11 recommendations to OJP to assist the OR DOJ in improving its grant management and administration and to remedy questioned costs. We requested a response to our draft audit report from OR DOJ officials and OJP; these responses can be found in Appendices 3 and 4, respectively. Our analysis of these responses is included in Appendix 5.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of four VOCA victim assistance grants administered by the OR DOJ in Salem, Oregon. The OVC awarded these grants, totaling \$115,349,003 for fiscal years (FY) 2017 through 2020, from the Crime Victims Fund to enhance crime victim services throughout Oregon. The OR DOJ drew down a cumulative amount of \$74,624,987 for all of the grants we reviewed.

Program Planning and Requirements

Between FYs 2017 and 2020, the OR DOJ's victim assistance program awarded 453 subgrants and provided services to almost 400,000 victims throughout the state of Oregon. We found that the OR DOJ submitted timely performance reports to the OVC and complied with the special conditions we tested. However, the OR DOJ did not have written procedures for allocating CVF funding to subrecipients and did not fund the minimum amount for each of the four priority victim categories as required by OJP. Lastly, we found that former OR DOJ employees had retained access to its grant management system after their employment with the OR DOJ had ended.

Grant Financial Management

We determined that the OR DOJ submitted accurate federal financial reports to OJP. However, we found that subrecipients had charged \$23,610 in unallowable and \$20,953 in unsupported costs and reported \$8,660 in unsupported match contributions. We also found several instances in which the OR DOJ drew down more than the minimum cash needed to reimburse its grant expenditures.

Subrecipient Monitoring

We found instances in which the OR DOJ did not comply with its own policies and procedures, to include obtaining documentation to support subrecipient expenditures, adhering to its monitoring schedules, and ensuring single audit deficiencies relating to CVF funding were addressed by subrecipients.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four Victims of Crime Act (VOCA) victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Oregon Department of Justice (OR DOJ) in Salem, Oregon. 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) 2017 to 2020, these OVC grants totaled \$115,349,003.

Table 1

**Audited Grants
Fiscal Years 2017 – 2020**

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2017-VA-GX-0007	09/28/2017	10/01/2016	09/30/2020	\$23,281,899
2018-V2-GX-0033	08/09/2018	10/01/2017	09/30/2022	42,009,045
2019-V2-GX-0015	09/13/2019	10/01/2018	09/30/2022	28,699,463
2020-V2-GX-0007	09/17/2020	10/01/2019	09/30/2023	21,358,596
Total:				\$115,349,003

Note: Grant funds are available for the fiscal year of the award plus 3 additional fiscal years. The table includes all OJP approved grant extensions.

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 FYs 2017 and 2018, \$1.8 billion and \$3.3 billion, respectively, was made available for victim assistance. 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 the OR DOJ increased significantly from \$23.3 million in FY 2017 to \$42 million in FY 2018. However, since 2018, the OVC allocations have decreased to \$2.3 billion in FY 2019 and to \$1.7 billion in FY 2020. As a result, OR DOJ's CVF funding has decreased by \$13.3 million in FY 2019 and \$7.3 million in FY 2020.

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

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 Oregon state administering agency, the OR DOJ Crime Victim and Survivor Services Division (CVSSD) is responsible for administering the VOCA victim assistance program. According to OR DOJ, the CVSSD connects many different programs with a single goal to serve victims effectively and compassionately. The OR DOJ CVSSD helps victims cover crime-related costs, protects victims' rights, and helps fund local service providers. CVSSD also funds community-based domestic and sexual violence service programs statewide, funds victim assistance programs in each district attorneys' office, and coordinates statewide crime victim rights education and human trafficking intervention.

OIG Audit Approach

The objective of the audit was to evaluate how the OR DOJ 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), and the DOJ Grants Financial Guide (Financial Guide) as our primary criteria.² We also reviewed relevant OR DOJ policies and procedures and interviewed OR DOJ personnel to determine how they administered the CVF funds. Additionally, we interviewed subrecipient personnel and obtained and reviewed OR DOJ and subrecipient records reflecting grant activity.³

² The revised DOJ Grants Financial Guide applies to the FY 2017 (and subsequent) awards.

³ Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

Audit Results

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. The OR DOJ, which is the primary recipient of victim assistance grants at the state level in Oregon, must distribute the majority of the funding to organizations that provide direct services to victims, such as rape crisis centers, domestic violence shelters, centers for the intervention, assessment, and investigation of child abuse, and other community-based victim support organizations. As the state administering agency, the OR DOJ has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies to 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.⁴ As long as a state administering agency allocates at least 10 percent of available funding to victim populations in each of these victim categories, it has the discretion in determining the amount of funds each subrecipient receives.

As part of our audit, we assessed the OR DOJ's overall plan to allocate and award the victim assistance funding. We reviewed how the OR DOJ planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that the OR DOJ appropriately identified and planned to meet victim service needs with its FYs 2017 through 2020 funding. However, we found that the OR DOJ did not have documented procedures for calculating, tracking, and updating its subrecipient allocations, which increases the risk for unallowable or inaccurate allocations being made. Additionally, we found three employees of the OR DOJ had retained access to a web-based application and reporting grant management system after their employment with the OR DOJ had ended.

Subaward Allocation Plan

In June 2006, the State of Oregon published a funding equity study to review current funding allocation methods, identify core services, and identify equitable funding distribution methods. The study found that the disparity in population density between the most populated and least populated counties is large, and while economically distressed rural and frontier counties serve isolated populations whose access to services is hindered by geography, it has been difficult for those counties to fund victim programs. The study recommended that state and federal funding streams be combined and distributed in a non-competitive process by county. As a result of the study, the OR DOJ began utilizing an equity formula to

⁴ 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.

allow for a consistent base level of services to all counties, while considering the large numbers of residents in more populated counties.⁵

The OR DOJ generally administers two types of VOCA subawards: non-competitive and competitive. While non-competitive subawards are intended to support and fund core victim services, competitive subawards are subject to the availability of funding. The OR DOJ offers 2 and 3-year subawards to provide financial stability for programs and allow programs to count on CVF funding for longer periods of time. As CVF funding increased in 2017, and significantly increased in 2018, the OR DOJ was able to expand services and offer more competitive subgrants to reduce gaps in victim services across the state. Specifically, applicants could apply for competitive subgrants to extend and enhance services to victims of human trafficking, campus outreach programs, and programs for underserved, marginalized, and oppressed communities across Oregon. As shown in Table 2, the OR DOJ allocated \$37,635,240 between FYs 2017 and 2020 to subrecipients for competitive subgrants.

Table 2

VOCA Subrecipient Allocations as of March 2022

Type of Subaward	2017	2018	2019	2020
Competitive	\$6,217,365	\$14,263,602	\$14,079,403	\$3,074,870
Non-Competitive	15,900,439	29,679,014	14,474,816	17,414,279
Total	\$22,117,804	\$43,942,616	\$28,554,219	\$20,489,149

Note: Totals do not include OR DOJ's administrative, training, and other costs.

Source: OIG Analysis of OR DOJ financial data

In 2020, the OR DOJ launched community-wide forums to hear directly from individuals impacted by inequity. The OR DOJ facilitated sessions with communities such as LGBTIQ2S+, religious minorities, Latinx, African Americans, Asian and Pacific Islanders, undocumented and migrant workers, American Indian and Alaska Natives, people with disabilities, and refugees and immigrants. The conversations were intended to help the OR DOJ better understand the needs and challenges of those communities and to improve its programs and services to better meet individual needs. As a result, the OR DOJ created a subgrant program focused on culturally specific and culturally responsive services, provided training to its subrecipients, and established a Diversity, Equity, Accessibility, and Inclusion advisory committee.

⁵ OR DOJ's equity formula is the number of adult women in the State of Oregon, multiplied by the domestic violence and sexual assault prevalence rates (each calculated individually), divided by the number of victims served through an assistance program by one full-time employee, multiplied by the full-time employee's average salary. Based on a population of 30,000 people, a county would receive a base amount of \$120,000 each year. All counties are provided this base, except three counties with a population less than 2,000 people, and nine federally recognized tribes, which receive a base amount of \$20,000 each year. In 2020, the base for Tribal Nations was increased to \$120,000.

We asked the OR DOJ how it plans to continue to provide the same level of services for its programs if CVF funding continues to decrease, as it has in FYs 2019 and 2020. An OR DOJ official stated that if funding continues to decrease the number of services offered will be lowered and it will have to prioritize and be thoughtful with how it moves forward. For example, the OR DOJ has decreased the amount of all non-competitive subgrants by 10 percent for the FYs 2021 and 2023 grant cycles. Additionally, another 10 percent decrease is planned for all non-competitive subgrants for the FYs 2023 and 2025 grant cycles. The OR DOJ has made projections for its CVF funding through 2027. Furthermore, to promote sustainability and effective program implementation, the OR DOJ will not offer competitive awards in October 2022, after its VOCA competitive and VOCA funding initiative subgrants end in September 2022.⁶ We determined that the OR DOJ has distributed the majority of its CVF funding to organizations that provide direct services to victims within Oregon and obtained input from various stakeholders relevant to the victim services community to provide a comprehensive picture of the needs in the state.

Subrecipient Allocation Procedures and Approvals should be Documented

According to the Victim Assistance Program Guidelines Final Rule, states are required to have a documented method of making funding decisions. The OR DOJ utilizes electronic spreadsheets to track its allocation of CVF funding to each subrecipient. We determined that the OR DOJ does not have documented procedures for calculating, tracking, and updating its allocations of CVF funding to subrecipients. Additionally, we identified that one Fund Coordinator primarily performs the allocations and tracks the information in electronic spreadsheets. We asked the OR DOJ if a back-up Fund Coordinator had been appointed in the event the primary was unable to perform the duties. The OR DOJ stated that although a back-up is not designated, both the Grant Unit Manager and the CVSSD Director review and approve the subrecipient allocation spreadsheet. However, we determined that the OR DOJ does not maintain evidence of the review and approval of its subrecipient allocations made. When we asked the OR DOJ why it did not have documented procedures, the Fund Coordinator stated that it has not had a need to develop written procedures because the same individual has been performing its VOCA allocations since 2007. As a result, we found that the OR DOJ did not allocate a minimum of 10 percent to its sexual assault victim category as required by OJP. We discuss this matter further in the [Priority Areas Funding Requirement](#) section of this report. We recommend that OJP work with the OR DOJ to establish written procedures for the allocation of CVF subgrant funds to its subrecipients.

Subaward Selection Process

To assess how the OR DOJ granted its subawards, we identified the steps that the OR DOJ took to inform, evaluate, and select subrecipients for CVF funding. The OR DOJ offers non-competitive and competitive VOCA subgrants. To streamline and consolidate the application process for its subrecipients, the OR DOJ combined its state and federal funds when awarding its non-competitive subgrants.⁷

⁶ At the time of our audit, the OR DOJ allocated VOCA funds across multiple subawards to include: (1) joint funding awards; (2) criminal fine account awards; (3) competitive awards; (4) one-time awards; (5) funding initiative awards; and (6) support services and training awards.

⁷ The OR DOJ's Joint Domestic/Sexual Assault grant application is funded by the Oregon Domestic and Sexual Violence Services fund, Oregon Department of Human Services Domestic Violence fund, Oregon Department of Human Services Sexual Assault fund, Oregon Criminal Fine Account fund, OJP's Violence Against Women Act STOP formula grant fund, and OJP CVF funding.

The OR DOJ posts funding announcements on the CVSSD website at the end of August. Upon receiving applications in early October, Fund Coordinators are responsible for completing a minimum qualification review to check for items that applicants are required to have to qualify for funding. For non-competitive subawards, Fund Coordinators also conduct an in-depth review of the application. As part of this review, Fund Coordinators review administrative and financial risk assessments completed by the applicants, looking for any red flags, errors, or potential follow ups that may be necessary. For the competitive subaward process, the OR DOJ recruits external reviewers, including government and community partners, and subject matter experts to assist in the review of subgrant applications. Utilizing a score sheet, reviewers score each element of the application based on the project criteria that is included in the request for application. After scoring, reviewers meet with a Fund Coordinator to discuss each application and provide opinions, concerns, ask questions, and reassess or edit their application rankings. Applications selected for funding are then presented to the CVSSD Advisory Committee and then forwarded to the Office of the Attorney General for final approval in November. We determined that the OR DOJ has adequate controls in place for the subawarding of CVF funds, to include procedures for the separation of duties during the application award process.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed OR DOJ'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 found that the OR DOJ included appropriate information in its subaward solicitations and award packages.

Former Employees with Access to Grant Application and Reporting System

Grant recipients are required to establish and maintain effective internal controls over the federal award to provide reasonable assurance that the recipient (and any subrecipient) is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.⁸ During our review, we found three employees of the OR DOJ had retained access to a web-based application and reporting grant management system after their employment with the OR DOJ had ended. Each of the three individuals were Fund Coordinators with access to approve grant-related documentation, such as financial and progress reports. We found that one former employee had retained access for 144 days after their employment had ended. The OR DOJ's System Administrator stated that these three instances were an oversight. We also determined that the OR DOJ does not have written policies and procedures governing access to its grant management system. Without policies and procedures governing access to its grant management system, including restricting access when it is no longer needed, the OR DOJ is at risk of sensitive information being accessible to individuals who are no longer authorized to view such information. Therefore, we recommend that OJP work with the OR DOJ to develop and implement policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.

⁸ 2 C.F.R. § 200.303 (a).

Program Requirements and Performance Reporting

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

Based on our assessment in the areas of program requirements and performance reporting, we believe that the OR DOJ implemented adequate procedures to compile annual performance reports and complied with tested special conditions. However, we found that the OR DOJ did not award a minimum of 10 percent of the total grant funds to each of the four priority victim categories as required by OJP.

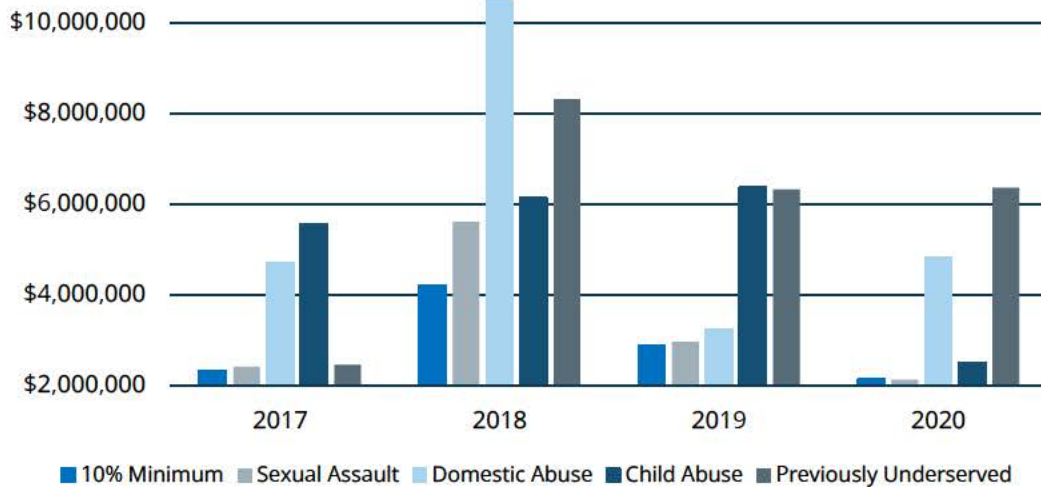
Priority Areas Funding Requirement

The VOCA Guidelines require that the OR DOJ 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.⁹ The OR DOJ defines "previously underserved" as victims of violent crime based on type of crime, characteristics of the victim, or both. As shown in Figure 1, between FYs 2017 and 2019, we found that the OR DOJ allocated at least 10 percent of the total grant funds to each of the four priority funding areas.

⁹ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

Figure 1

OR DOJ Allocations to VOCA Priority Areas
FYs 2017 - 2020



Note: The OR DOJ's underserved population has included victims with disabilities, survivors of homicide victims, victims of gang violence, victims of hate/bias crime, victims of sex trafficking, victims of elder abuse, and other victim populations.

Source: OIG Analysis

For the FY 2020 VOCA grant, we found that the OR DOJ was not on track to meet the minimum 10 percent requirement for its sexual assault victim category. Specifically, to meet the minimum requirement, the OR DOJ needed to allocate \$2,135,860 to sexual assault victim programs. However, we found that the OR DOJ allocated \$2,124,984 to such programs, resulting in a shortage of \$10,876. Based on the OR DOJ's allocation projections, we determined that the OR DOJ does not have any remaining funds left to allocate to sexual assault victim programs to reach the minimum requirement. An OR DOJ official stated that based on prior years' experience, they anticipate that some subrecipient CVF funding will go unspent, and therefore, be de-obligated from the award. When this occurs, the OR DOJ will shift funding allocations to different grant years to ensure all minimum requirements are met. Based on analysis of FY 2017 through FY 2019 VOCA awards, we determined that the OR DOJ has historically de-obligated approximately 10 percent of the awards, including 1 percent for the sexual assault victim category. If this trend continues for FY 2020 funds, it is likely that the OR DOJ will have sufficient funds to apply to sexual assault victim services to meet the requirement. However, without ample planning and notice, there is an additional risk that the sexual assault victim providers may not have the programming to apply the additional funds resulting in additional de-obligations for sexual assault victim providers. To address this risk, the OR DOJ should proactively take steps to establish plans that ensure priority victim categories are properly being funded as required by OJP. As previously discussed in the [Subrecipient Allocation Procedures and Approval should be Documented](#) section of this report, the OR DOJ does not have documented procedures for calculating, tracking, and updating its allocations of CVF funding to subrecipients. Additionally, the OR DOJ does not maintain evidence of supervisory review of the VOCA allocations being made. Without adequate policies and

procedures, the OR DOJ is at risk of not meeting OJP’s funding requirements to serve priority areas for victims of crime. Therefore, we recommend that OJP work with the OR DOJ to ensure a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories as required by OJP.

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 grant 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. We verified that the OR DOJ submitted annual performance reports for FYs 2017 through 2020.

For the victim assistance grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. Based on our review of the OR DOJ’s FYs 2017 through 2020 Annual Performance Reports, we determined that over the 4-year period the number of victims served increased 23 percent and the number of services provided increased by 70 percent. Table 3 presents summary data from these annual performance reports.

Table 3

**OR DOJ Victim Assistance Program Annual Performance Reporting
FYs 2017 through 2020**

Performance Metric	FY 2017	FY 2018	FY 2019	FY 2020
Number of Subawards	59	228	11	155
Number of Victims Served	86,607	101,194	103,346	106,194
Number of Services Provided	443,248	613,683	715,301	755,552

Note: OR DOJ’s subgrant cycle may range from 2 to 3 years.

Source: OJP’s PMT

To assess whether the OR DOJ’s annual performance report to the OVC fairly reflected the performance figures its subrecipients had reported to the state, we reconciled a sample of performance data from the FY 2020 annual performance report and determined that the reports were timely and there were no reportable concerns. However, in the [Performance Monitoring](#) section of this report, we identified instances in which the subrecipients’ reported figures did not reconcile to supporting documentation.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the OR DOJ certified it would comply with these special conditions. We judgmentally selected three special conditions, which are not otherwise addressed in another section of this report, to determine if the OR DOJ complied with OJP's special condition requirement.

For the FY 2017 through 2019 victim assistance grants, OVC required states to provide a Subgrant Award Report with information on every subrecipient receiving victim assistance funds.¹⁰ Based on our review of the Subgrant Award Reports submitted to OVC between FYs 2017 and 2020, we did not identify any issues.

Secondly, we tested the OVC's special condition requiring the reporting of subrecipient information under the Federal Funding Accountability and Transparency Act (FFATA). Under this requirement, states must report first-tier subawards of \$25,000 or more. Between FYs 2017 and 2020, the OR DOJ awarded 336 subawards each worth \$25,000 or more. We judgmentally selected 34 subawards (10 percent) and found that each of the subawards were reported as required.

Lastly, we tested OJP's requirement for both the point of contact (POC) and financial point of contact (FPOC) to successfully complete an OJP financial management and grant administration training. We determined that OR DOJ's FPOC completed the required trainings required for its FYs 2017 through 2020 grants. However, we found that the POC had not completed the required trainings for its FY 2020 grant. OR DOJ's POC stated that it had completed OJP's required training in FY 2017 and mistakenly thought that was sufficient for the FY 2020 victim assistance grant. In May 2022, OR DOJ's POC completed the required financial management and grant administration trainings for its FY 2020 grant. Since the OR DOJ has taken corrective action on this issue, we make no recommendation.

Grant Financial Management

According to the DOJ Grants Financial Guide, award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of the OR DOJ's financial management of the VOCA grants, we reviewed the process the OR DOJ used to administer these funds by examining expenditures charged to the grants, drawdown requests, match contributions, and financial reports. To further evaluate the OR DOJ's financial management of the VOCA grants, we also reviewed the Single Audit Report(s) for FYs 2017 to 2020 and did not identify any significant deficiencies or material weaknesses specifically related to the OR DOJ. We also interviewed the OR DOJ personnel who were responsible for financial aspects of the grants, reviewed OR DOJ written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that the OR DOJ could improve its processes for grant financial management, to include its oversight processes of its subrecipients. Specifically, we found that subrecipients: (1) charged \$23,610 in unallowable costs; (2) charged \$20,953 in unsupported costs; and (3) reported \$8,660 in unsupported match contributions. We also found that subrecipients had commingled funds, lacked accounting policies and procedures, and had

¹⁰ The special condition was removed in the FY 2020 victim assistance grant award.

inadequate accounting systems. Additionally, the OR DOJ did not ensure the federal cash on hand was the minimum needed for reimbursements or disbursements as required by the OJP.

Grant Expenditures

State administering agency victim assistance expenses fall into two overarching categories: (1) administrative expenses – which are allowed to total up to 5 percent of each award, and (2) reimbursements to subrecipients – which constitute the majority of total expenses. 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.

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. As shown in Table 4, we tested the OR DOJ’s compliance with the 5 percent limit for its administrative expenditures. We found that the OR DOJ complied with the 5 percent limit for its FYs 2017 through 2020 administrative expenditures.

Table 4

**OR DOJ’s Administrative Expenditures
FYs 2017 through 2020**

Award Number	Total Award	Administrative Expenditures	Administrative Percentage
2017-VA-GX-0007	\$23,281,899	\$1,164,095	5
2018-V2-GX-0033	42,009,045	1,643,793	3.91
2019-V2-GX-0015	28,699,463	0	0
2020-V2-GX-0007	21,358,596	0	0

Note: As of September 2021, the OR DOJ had not expended FYs 2019 and 2020 CVF funding on administrative expenditures.

Source: OJP’s Grant Management System (GMS) and OR DOJ’s accounting records.

In addition to testing the OR DOJ’s compliance with the 5 percent administrative allowance, we also tested a sample of these administrative transactions. We judgmentally selected 35 expenditures totaling \$418,150, which included personnel and non-personnel costs charged to the grants. We found that the administrative expenditures were allowable and adequately supported.

Subaward Expenditures

Subrecipients may request payment from the OR DOJ, generally on a quarterly basis, by submitting a financial report through the OR DOJ's web-based grant management system. As of August 2021, we found that between May 2018 and August 2021, the OR DOJ paid a total of \$53,019,247 in VOCA grant funds to its subrecipients.

To evaluate the OR DOJ's financial controls over VOCA victim assistance grant expenditures, we reviewed a sample of subrecipient transactions to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines. We judgmentally selected 52 expenditures totaling \$281,466 from 5 subrecipients. The transactions we reviewed included costs in the following categories: (1) personnel; (2) fringe benefits; (3) travel; (4) contracts/consultants; (5) supplies; (6) equipment; (7) training; (8) operating and indirect costs; and (9) direct victim service costs.

Table 5

Unallowable and Unsupported Subaward Expenditures

Subrecipient	Unallowable Costs	Reason
Subrecipient B	\$700	Duplicate Payment
Subrecipient D	1,000	Charged unapproved contractor costs
Subrecipient E	21,910	Equipment purchased but never received, equipment purchased not in accordance with federal procurement standards
Unallowable Total:	\$23,610	
Subrecipient	Unsupported Costs	Reason
Subrecipient C	\$10,197	Missing timesheets, payroll data, and paystubs for personnel and fringe benefit costs
Subrecipient D	728	Missing invoices and documents for indirect costs and overstated contractor costs
Subrecipient E	10,028	Missing timesheets, payroll data, and paystubs for personnel and fringe benefit costs, unsupported invoices for supplies, accounting services, and rent charges
Unsupported Total:	\$20,953	
Total Questioned Costs:	\$44,563	

Source: OIG Analysis

As shown in Table 5, we found a total of \$44,563 in questioned costs from 4 of the 5 subrecipients we tested. Part of the OR DOJ's monitoring policy is to conduct financial report verifications, which include verifying subrecipients expenditures are allowable and supported by adequate documentation. As discussed in the [Financial Monitoring](#) section of this report, we found that the OR DOJ did not conduct financial report verifications and did not ensure subrecipients submitted adequate supporting documentation when required. Without adequate monitoring from the OR DOJ to ensure subrecipients are maintaining adequate support for expenditures and adhering to the terms and conditions of the subgrants, the OR DOJ is at increased risk for unallowable and unsupported expenditures to be made with CVF funds. Therefore, we recommend that OJP work with the OR DOJ to remedy \$23,610 in unallowable questioned costs for subrecipient expenditures. We also recommend that OJP work with the OR DOJ to remedy \$20,953 in unsupported questioned costs for subrecipient expenditures.

Commingling of Subgrant Funds

According to the DOJ Grants Financial Guide, subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for funds awarded to them. The Guide further states that the accounting systems should be able to account for award funds separately. We found that 3 of the 5 subrecipients we tested (subrecipients C, D, and E) had commingled their VOCA grants, recording VOCA grant expenditures along with other non-grant related expenditures in its accounting systems. For subrecipients C and D, we found that the subrecipients recorded non-grant funds in its grant general ledgers to cover the costs for unallowable expenditures or expenditures in excess of budgeted amounts. For Subrecipient E, we found that it did not have an adequate accounting system to properly account for CVF funding. Specifically, the subrecipient utilized electronic spreadsheets to record grant expenditures. However, we were unable to reconcile the expenditures recorded in the electronic spreadsheets with grant payments made by the OR DOJ. Further, we found that the subrecipient did not have accounting policies and procedures. We asked the OR DOJ whether it verifies the adequacy of a subrecipient's accounting system when conducting monitoring activities. The OR DOJ official stated that subrecipients do provide system walk-throughs, but it does not evaluate accounting systems because they are not auditors. Additionally, due to the COVID-19 pandemic, it has been a challenge to evaluate subrecipients' accounting systems as monitoring activities are being conducted virtually. We believe that commingled and incomplete accounting records create a significant risk for the OR DOJ that subrecipients' may not be properly managing CVF subgrant funds. Additionally, without ensuring subrecipients have adequate accounting systems, the OR DOJ is at greater risk for unallowable expenditures to be made with CVF funds, as previously identified in the [Subaward Expenditures](#) section of this report. We discuss this matter further and make a recommendation in the [Financial Monitoring](#) section of this report.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and the grantee should time drawdown requests to ensure that the federal cash on hand is the minimum needed for reimbursements or disbursements made immediately or within 10 days. To assess whether the OR DOJ managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the OR DOJ's accounting system and accompanying financial records.

For the VOCA victim assistance awards, OR DOJ's accountant reviews grant revenue and expenditures once a week to determine whether a drawdown is necessary. Unless it is a final draw to close out the grant,

OR DOJ draws down CVF grant funds when the expenditures recorded in its accounting system are greater than \$5,000. Table 6 shows the total amount drawn down for each grant as of May 2022.

Table 6
Amount Drawn Down for Each Grant as of May 2022

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2017-VA-GX-0007	\$23,281,899	09/30/2020	\$23,281,899	\$0
2018-V2-GX-0033	42,009,045	09/30/2022	39,706,664	2,302,381
2019-V2-GX-0015	28,699,463	09/30/2022	11,636,424	17,063,039
2020-V2-GX-0007	21,358,596	09/30/2023	0	21,358,596
Total:	\$115,349,003		\$74,624,987	\$40,724,016

Source: OJP

During this audit, we identified deficiencies related to the OR DOJ's process for drawing down grant funds. We found several instances in which the OR DOJ drew down more than the minimum cash needed to reimburse its grant expenditures. Specifically, the OR DOJ drew down \$359,363 for its 2017 grant, which created an excess of \$8,599 in cash on hand. The OR DOJ corrected the error when the excess funds were identified and expended on the 11th day. OR DOJ's accountant stated that the funds were drawn down outside of the normal schedule because of a federal government shut down. We also found that the OR DOJ drew down \$297,381 and \$225,140 from the FYs 2017 and 2018 grants, respectively. This resulted in an excess of \$185,621 in cash on hand for 27 days for its 2017 grant and an excess of \$1,321,096 in cash on hand for 63 days for its 2018 grant. The OR DOJ's accountant stated that it has multiple grants open at the same time and CVSSD is spending from two or more grants at any given time and drawing down funds on all the grants. When OR DOJ closes out a grant in its accounting system, expenditures are moved from other VOCA grants to the grant being closed. Based on our review of the OR DOJ's procedures for drawing down federal funds, although it does require staff to reconcile the amount being drawn to a transaction history report, its procedures do not ensure grant funds being drawdown are the minimum cash on hand needed, particularly when the agency is in the process of closing a VOCA grant in its accounting system. Unless controls are improved, the error could occur again in the future. Therefore, we recommend that OJP ensure that the OR DOJ update its procedures for drawing down federal funds to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding sources to help ensure future sustainability. Match contributions must come

from non-federal sources and can be either cash or an in-kind match.¹¹ The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.¹²

To review the provision of matching funds, we judgmentally selected 5 subrecipient match expenditures which occurred between January and March FY 2020, totaling \$39,332, to determine whether the match amounts were properly supported and allowable. Based on our review, we found: (1) a \$5,393 cash match without adequate support; (2) \$2,067 in overreported volunteer hours; and (3) \$1,200 in volunteer hours that lacked adequate supporting timesheets. According to the DOJ Grants Financial Guide, subrecipients are required to maintain records which clearly show the source, amount, and timing for all matched contributions. Additionally, according to the OR DOJ's Fund Coordinator Handbook, the Fund Coordinator is required to review the final financial report to determine whether the minimum match had been met. However, as discussed in the [Financial Monitoring](#) section of this report, we found that financial report verifications were not conducted in accordance with the OR DOJ's monitoring policy. Without adequate monitoring, including a review of match contributions reported, the OR DOJ is at risk of subrecipients claiming inaccurate or unsupported match contributions. Therefore, we recommend that OJP work with the OR DOJ to remedy \$8,660 in unsupported questioned cost match contributions. We also make a recommendation in the [Financial Monitoring](#) section of this report to address the OR DOJ's inadequate monitoring of its subrecipients.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures, program income, and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the OR DOJ submitted accurate Federal Financial Reports (FFR), we compared the four most recent reports to the OR DOJ's accounting records for each grant. We determined that quarterly and cumulative expenditures for the reports reviewed matched the OR DOJ's 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, the OR DOJ must develop policies and procedures to monitor subrecipients. To assess the adequacy of the OR DOJ's monitoring of its VOCA subrecipients, we interviewed OR DOJ personnel, identified OR DOJ monitoring procedures, and obtained records of interactions between the OR DOJ and its subrecipients. We also conducted virtual site visits of five subrecipients, which included interviewing personnel, observations of grant management and accounting systems through screensharing, and reviewing accounting and performance records. We spoke with subrecipient officials about the support

¹¹ 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.

¹² In July 2021, the VOCA Fix to Sustain the Crime Victims Fund Act of 2021 was signed into law, which directs states to waive the matching requirement for recipients of state victim assistance formula grants during and for one year after a pandemic-related national emergency.

received from the OR DOJ, who indicated that the OR DOJ has been very responsive to questions and communicated well with the subrecipients.

According to the OR DOJ's Grant Monitoring Policy (Monitoring Policy), the OR DOJ conducts four levels of monitoring to include: (1) financial and administrative risk assessments; (2) financial and administrative policies and procedures review; (3) financial report verifications; and (4) on-site programmatic reviews. Additionally, the OR DOJ requires subrecipients to submit quarterly performance metrics in the PMT and to submit quarterly financial reports to the OR DOJ. In June 2018, the OR DOJ provided training to subrecipients which included topics on cost allocations, timekeeping, indirect costs, and program income.

During our review, we found that the OR DOJ was not compliant with its own internal policies and procedures. Specifically, we found that OR DOJ did not obtain and review supporting documentation from its subrecipients for purchases exceeding \$3,000 and for contractual services, did not adhere to the monitoring schedule for conducting the financial report verification for each grant cycle, and did not conduct an adequate financial policies and procedures review. Lastly, we found that the OR DOJ did not properly monitor its subrecipients to ensure that timely and appropriate action was taken on deficiencies identified during the subrecipient's single audit.

Financial Monitoring

The OR DOJ requires subrecipients to submit quarterly financial reports, including all incurred expenditures for the quarter. The financial reports are reviewed by the Grant Specialist, who verifies the reporting period, total grant funds spent, and the remainder of grant funds to be expended. The Fund Coordinator then reviews the financial reports to verify the allowability of the costs. According to the OR DOJ's instructions for completing the quarterly financial report, subrecipients must provide along with the quarterly financial report, documentation for any purchases exceeding \$3,000 in the quarter and for all contractual service costs.

During our review, we noted four instances in which supporting documentation was not submitted along with the financial report as required. Specifically, we found: (1) \$21,580 for equipment; (2) \$19,007 for costs relating to a subaward from the subrecipient; (3) \$18,965 for costs relating to a subaward from the subrecipient; and (4) \$3,179 for contractual expenses did not have supporting documentation submitted along with the financial report. An OR DOJ official stated that the expenditures related to the subrecipients' subaward agreements was an oversight because it was unclear whether to request supporting documentation for a subrecipient's subaward. An OR DOJ official also acknowledged that documentation for the contractual expenses and equipment was not obtained as required, but a verbal approval had been given for each of the costs. The OR DOJ should obtain and review subrecipient supporting documentation as required by its internal policies, ensuring unallowable and unsupported costs are not being incurred and subrecipients are adhering to the terms and conditions of the subawards. As noted in the [Subaward Expenditures](#) section, we identified \$44,563 in questioned costs because subrecipients were not able to provide documentation to support the expenditures charged to the grants or charged unallowable items.

Financial Report Verifications Not Conducted

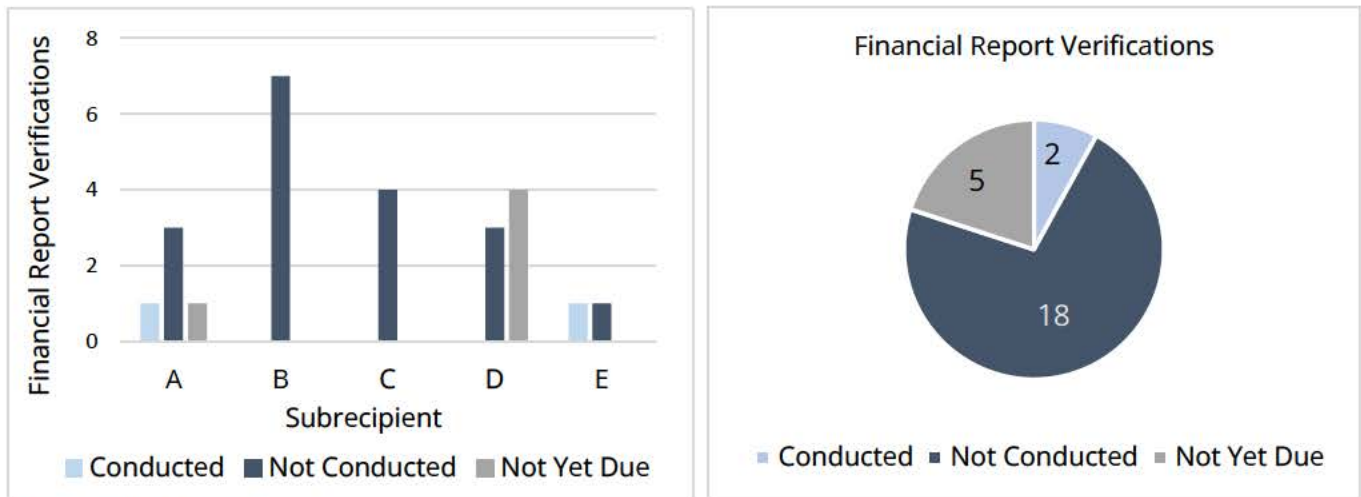
Once a grant cycle, the OR DOJ requires a financial report verification to be conducted for each subrecipient. When a financial report is selected for verification, the subrecipient is given 30-day notice before the end of

the current reporting period to upload a copy of the grant general ledger along with its quarterly financial report. In conducting the review, the Fund Coordinator will request check stubs, canceled checks, time sheets, invoices, and procurement documentation.

We determined that the OR DOJ did not adhere to its monitoring schedule for conducting the financial report verification for each of the five subrecipients we reviewed. As depicted in Figure 2, we determined that of the 25 subawards made to the 5 subrecipients, only 2 subawards had a financial report verification conducted during its grant cycle. We found that 18 subawards had no financial verification conducted and that the remaining 5 subawards were not yet due for a financial review.

Figure 2

OR DOJ Subrecipient Financial Report Verifications



Source: OIG Analysis

An OR DOJ official stated that the financial verifications were not conducted because of time constraints among OR DOJ staff and subrecipients who often experience turnover and resource shortages. It was also not a priority to conduct the review if the subrecipient was new. We also determined that the OR DOJ provides advanced notice to its subrecipients when a financial report verification will occur. This process removes the element of surprise for the review and creates an opportunity for unallowable or unsupported costs to go undetected. Therefore, we recommend that OJP work with the OR DOJ to ensure all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.

Subrecipient Lack of Fiscal Policies and Accountability for Grant Funds

Every 4 years the OR DOJ requires a financial policies and procedures review to be conducted for each subrecipient.¹³ The review includes a determination of whether the subrecipient has an established accounting system, with adequate internal fiscal and management controls, to provide accountability for

¹³ OR DOJ CVSSD Grant Monitoring Policy.

revenues, expenditures, assets, and liabilities. Upon completing the review, if necessary, the Fund Coordinator will request a follow-up plan to meet any grant requirements determined to be unmet.

Based on our review of five financial policies and procedures reviews conducted by the OR DOJ, we determined that the reviews were generally conducted in accordance with its monitoring policy. However, we found the monitoring of Subrecipient E failed to identify and address significant issues of non-compliance. First, although the OR DOJ's review of Subrecipient E indicated that the subrecipient needed stronger financial policies and procedures (including separation of duties, cash and check handling procedures, disbursement of payments, and accounting system security), the OR DOJ did not take steps to ensure these policies were developed and implemented. We determined that 20 months after the OR DOJ conducted its June 2020 review, the subrecipient still did not have adequate accounting policies and procedures implemented. Secondly, Subrecipient E stated in that review that a double entry accounting system was utilized, which enabled categorizing and tracking of income and expenditures. However, during our review, we determined that the subrecipient did not have an adequate accounting system and in fact used electronic spreadsheets, which we were unable to reconcile to the amounts paid by the OR DOJ. Further, we found serious instances of non-compliance with the terms and conditions of the subaward, including the Director and the Treasurer of the Board of Directors writing out checks to themselves, checks used to pay for expenditures out of check number sequence, and reimbursement for items purchased but never received. We asked Subrecipient E's Treasurer whether the OR DOJ had expressed concerns over the lack of an adequate accounting system and internal controls. The Treasurer stated that the OR DOJ did not seem to consider its accounting method a risk and encouraged it to document its accounting policies. Without ensuring the existence of an adequate accounting system, and proper internal controls during the monitoring process, there is an increased risk for subrecipients to misuse federal grant funds.

An OR DOJ official acknowledged that its subrecipient monitoring needed to be improved and that the OR DOJ is in the process of building a compliance team with a Compliance Specialist and one support position. The Compliance Specialist position will be a resource to assist the Fund Coordinator, particularly with the monitoring of problematic or struggling subrecipients. The new positions will allow Fund Coordinators to continue to adequately monitor assigned subrecipients, but when issues are identified, a Compliance Specialist will be able to provide additional guidance and help address issues to bring the subrecipient into compliance. As of April 2022, the OR DOJ's efforts to stand up this team are still in progress, but position responsibilities as the Compliance Specialist began in January 2022. Although a compliance team is a marked improvement for the OR DOJ, additional oversight of the monitoring being conducted by its Fund Coordinators may be warranted because of the issues we have identified throughout this report, including financial report verifications not being conducted, unsupported and unallowable subrecipient costs charged to the VOCA grants, and subrecipient non-compliance with subaward terms and conditions. Therefore, we recommend that OJP work with the OR DOJ to ensure it has established a compliance team to adequately monitor subrecipients and ensure that subrecipients are adhering to the terms and conditions of the subawards.

OR DOJ does not Follow-up on Subrecipient Single Audit Report Deficiencies

As a pass-through entity, the OR DOJ must monitor its subrecipients to ensure that timely and appropriate action is taken on deficiencies identified during a single audit, to include the issuance of management

decisions for applicable audit findings and ensuring the resolution of audit findings specifically related to the subaward.¹⁴

Of the five subrecipients we selected for review, we determined that three (subrecipients A, B, and C) were subject to the single audit requirement. Of the three subrecipients, the OR DOJ did not have the single audit reports for two (subrecipients B and C). We asked an OR DOJ official why the single audit reports were not collected, and the official stated that it did not have an established process in place to ensure the reports are consistently obtained. We also found that subrecipient C's FY 2018 single audit report noted a significant deficiency directly related to CVF grant funds. Specifically, the review found that personal services charged to the grant were recorded based on budgeted amounts rather than actual amounts incurred. This deficiency was noted again in the FY 2019 single audit report, and the deficiency was not resolved until March 2020. An OR DOJ official stated that it does not review the results of the single audit reports and that its request for the reports is mainly to confirm that the audit has been completed as required by the Uniform Guidance. Without reviewing the single audit reports to assess a subrecipient's risk based on the findings noted and to ensure deficiencies identified have been resolved, the OR DOJ may be subawarding federal grant funds to subrecipients that are not in compliance with the Uniform Guidance and/or the terms and conditions of the subawards. Therefore, we recommend that OJP work with the OR DOJ to develop and implement procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in the subrecipient's single audit reports.

Performance Monitoring

Each subrecipient is required to submit its performance metrics, on a quarterly basis, in the PMT. Once entered in the PMT, the OR DOJ Grant Specialist reviews the data for common errors before it is finalized. Although the OR DOJ staff compare quarterly reported performance metrics with prior reported figures for consistency, we determined that the accuracy of the data reported to OVC is not verified. If information is missing or inconsistent, the OR DOJ will reach out to the subrecipient for clarification or to make a correction.

To determine if the information reported in the quarterly performance reports, which rolls up into the OR DOJ's annual report, was accurate and supported, we selected the most recent quarterly report from each of the five subrecipients. We tested a total of 35 metrics and found that subrecipients A and C underreported its performance metrics in the PMT. Specifically, we found that Subrecipient A incorrectly calculated the VOCA full-time employee rate used to report staffs' time worked on VOCA-related activity. We also found that subrecipient C had forgotten to include performance metrics from its FY 2021 VOCA subgrant. An OR DOJ official stated that staff do not verify the accuracy of the quarterly data reported to OVC because verification of performance data occurs during on-site monitoring.

According to the OR DOJ's policy, a subrecipient who receives a non-competitive subaward is required to receive an on-site monitoring visit every 4 years. If a subrecipient receives a competitive subaward, on-site monitoring visits are conducted on an as needed basis determined by the subrecipient's risk assessment. The OR DOJ's on-site monitoring includes a review of program administration, systems and controls, community relationships, compliance with applicable state and federal regulations, client services provided,

¹⁴ 2 CFR § 200.332.

and outcome measures. Based on our review of 5 subrecipients, we found that OR DOJ conducted two (subrecipients B and E) on-site monitoring visits on time, one subrecipient (subrecipient C) received an on-site visit approximately 1 year late, and two subrecipients (subrecipients A and D) had not yet receive an on-site monitoring visit. An OR DOJ official explained that an update to its monitoring policy has caused a delay in on-site reviews but acknowledged that the OR DOJ was behind in completing on-site monitoring of subrecipients. Since performance metrics are used to improve the operations of the program through an understanding of the progress that programs are making toward meeting the goals and objectives of VOCA, it is important that the information reported to the OVC is accurate. As a result, we recommend OJP ensures the OR DOJ develops and implements policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.

Conclusion and Recommendations

Our audit concluded that the OR DOJ distributed the majority of its CVF funding to organizations that provide direct services to victims within Oregon. Between FYs 2017 and 2020, the OR DOJ's victim assistance program awarded 453 subgrants and provided services to almost 400,000 victims throughout the state of Oregon. We found that the OR DOJ submitted timely performance reports to the OVC and complied with the special conditions we tested. However, we identified several areas where the OR DOJ can improve its administration and oversight of its victim assistance program. Specifically, the OR DOJ did not have written procedures for allocating CVF funding to subrecipients and did not fund the minimum amount required for each of OJP's four priority victim categories. Additionally, we found that former OR DOJ employees had retained access to its grant management system after their employment with the OR DOJ had ended. We also found several instances in which the OR DOJ drew down more than the minimum cash needed to reimburse its grant expenditures.

We also found instances in which the OR DOJ did not comply with its own policies and procedures, to include obtaining documentation to support subrecipient expenditures, adhering to its monitoring schedules, and ensuring single audit deficiencies relating to CVF funding was addressed by subrecipients. Lastly, we found that subrecipients had charged \$23,610 in unallowable and \$20,953 in unsupported costs and reported \$8,660 in unsupported match contributions. We provide 11 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with the OR DOJ to establish written procedures for the allocation of CVF subgrant funds to its subrecipients.
2. Work with the OR DOJ to develop and implement policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.
3. Work with the OR DOJ to ensure a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories as required by OJP.
4. Work with the OR DOJ to remedy \$23,610 in unallowable questioned costs for subrecipient expenditures.
5. Work with the OR DOJ to remedy \$20,953 in unsupported questioned costs for subrecipient expenditures.
6. Ensure that the OR DOJ update its procedures for drawing down federal funds to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.
7. Work with the OR DOJ to remedy \$8,660 in unsupported questioned cost match contributions.

8. Work with the OR DOJ to ensure all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.
9. Work with the OR DOJ to ensure it has established a compliance team to adequately monitor subrecipients and ensure that subrecipients are adhering to the terms and conditions of the subawards.
10. Work with the OR DOJ to develop and implement procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in the subrecipient's single audit reports.
11. Ensures the OR DOJ develops and implements policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objective of the audit was to evaluate how the OR DOJ 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 grant numbers 2017-VA-GX-0007, 2018-V2-GX-0033, 2019-V2-GX-0015, and 2020-V2-GX-0007 from the Crime Victims Fund (CVF) awarded to the OR DOJ. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$115,349,003 to the OR DOJ, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2016, the project start date for VOCA assistance grant number 2017-VA-GX-0007, through April 2022. As of May 2022, the OR DOJ had drawn down a total of \$74,624,987 from the four audited grants. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the OR DOJ's activities related to the audited grants, which included conducting interviews with state of Oregon financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures, financial reports, and performance 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 the OR DOJ 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 the OR DOJ to provide assurance on its internal control

structure as a whole. The OR DOJ 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 OR DOJ's internal control structure as a whole, we offer this statement solely for the information and use of the OR DOJ and OJP.¹⁵

In planning and performing our audit, we identified internal control components and underlying control principles as significant to the audit objective. Specifically, we reviewed the design and implementation of the OR DOJ's written grant policies and procedures and process controls pertaining to grant planning, performance reporting, and financial management. We also tested the implementation and operating effectiveness of specific controls over grant execution and compliance with laws and regulations in our audit scope. The internal control deficiencies we found are discussed in the [Audit Results](#) section of this report. However, because our review was limited to 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.

¹⁵ 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	Amount	Page
Questioned Costs:		
Unallowable Subrecipient Expense	<u>\$23,610</u>	12
Unallowable Costs	\$23,610	
Unsupported Subrecipient Expense	\$20,953	12
Unsupported Subrecipient Match	<u>8,660</u>	15
Unsupported Costs	\$29,613	
<i>Gross Questioned Costs</i> ¹⁶	\$53,223	
Less Duplicate Questioned Costs ¹⁷	<u>(409)</u>	12
Net Questioned Costs	\$52,814	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$52,814</u>	

¹⁶ **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.

¹⁷ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$409 in contractor expenses that was unallowable and unsupported.

APPENDIX 3: The Oregon Department of Justice Response to the Draft Audit Report

ELLEN F. ROSENBLUM
Attorney General



LISA M. UDLAND
Deputy Attorney General

DEPARTMENT OF JUSTICE CRIME VICTIM AND SURVIVOR SERVICES DIVISION

August 5, 2022

David J. Gaschke
Regional Audit Manager
U.S. Department of Justice
Office of the Inspector General
San Francisco Regional Audit Office

Dear Mr. Gaschke,

We have reviewed your letter of July 8, 2022, and have included our responses to the report below. As required, we have also included a signed management representation letter.

Our responses to the recommendations are as follows:

1. Work with the OR DOJ to establish written procedures for the allocation of CVF subgrant funds to its subrecipients.

Agree. As noted in the OIG report, we have an established practice that drives our allocation process. We have now documented our practice in writing (VOCA Allocation Policy/Procedures) and are in the process of finalizing the written procedure. Once it is finalized we will incorporate it into our Fund Coordinator handbook. This procedure includes review and approval of final allocations by the director and grant unit manager. It also includes a verification process at several steps by at least one other staff member to support the work of the staff primarily responsible for allocation calculations. We will complete this policy review and incorporation into the handbook no later than September 30, 2022.

2. Work with the OR DOJ to develop and implement policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.

Agree. We have added this item to the checklist followed by our Management Assistant when employees leave. She will contact our internal E-grants leads to request access be terminated for the employee. This is complete.

3. Work with the OR DOJ to ensure a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories as required by OJP.

Disagree. Auditors found that we met this obligation in FY2017-FY2019. The funding for FY 2020 has not been fully expended. Based on our practices for meeting the priority set asides, auditors acknowledged that we would likely meet the requirement. During our allocation

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planning process we allocate to meet our required set asides. During subrecipient award periods, it is not uncommon for subrecipients to deobligate funds. As they deobligate funds it often affects pre-determined set aside allocations. This requires us to regularly monitor our set aside amounts and shift funds to ensure our priority set asides are met. This practice allows us to account for changes in grantee spending and adjust accordingly to ensure we spend our full allocations. OR DOJ's allocations are spent across several years, resulting in the ability to monitor and shift funds as needed to ensure we meet our priority requirements. Within the VOCA Allocation Policy/Procedures described above, we have incorporated a documented practice to ensure each of the required set-aside requirements are met during the preliminary planning process. Even so, we will always have the need to shift funds as subrecipient spending changes to ensure we meet set asides. Our current practice accomplishes the required outcome.

4. Work with the OR DOJ to remedy \$23,610 in unallowable questioned costs for subrecipient expenditures.

Agree. After receiving detailed information from auditors, we are working with the identified subrecipients to reconcile and remedy the unallowable questioned costs. We will enhance our technical assistance to ensure that subrecipients understand what must be on file to document expenses and compliance with federal procurement standards. We will resolve these issues no later than December 31, 2022.

5. Work with the OR DOJ to remedy \$20,953 in unsupported questioned costs for subrecipient expenditures.

Agree in part and Disagree in part. After receiving detailed information from auditors, we are reviewing subrecipient information and working with the identified subrecipients to reconcile and remedy the unsupported questioned costs. To complete this, we request more detailed information, including relevant financial report numbers, for Subrecipient C. However, regarding Subrecipient D, auditors identified that subrecipient charged costs in excess of the 10% allowed indirect cost rate on two separate awards. In reviewing subrecipient's grant budgets and the identified associated financial reports, that subrecipient did not utilize an indirect cost rate. They charged direct administrative costs. In both instances they charged exactly 10% administrative costs. As a result, we dispute this finding. We will resolve remaining subrecipient issues no later than December 31, 2022.

6. Ensure that the OR DOJ update its procedures for drawing down federal funds to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.

Agree. CVSSD will work with the Administrative Services Division at DOJ to ensure DOJ's procedures are updated to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made within 10 days. We will complete this process no later than December 31, 2022.

7. Work with the OR DOJ to remedy \$8,660 in unsupported questioned cost match contributions.

Agree. We will work with subrecipients to produce supporting documentation, and, absent that, we will require them to make the necessary adjustments to provide the appropriate match. We request OIG Auditors provide detailed documentation of these deficiencies, including financial report numbers, to enable us to remedy this. Once received, we will resolve these issues no later than December 31, 2022.

8. Work with the OR DOJ to ensure all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.

Agree. Our monitoring policy requires financial report verifications once every grant cycle. We will work to bring all financial verifications current for all grantees. We will complete this no later than September 30, 2023.

We are in the process of developing a master database with which we will track all financial report verification due dates and document completion. We will establish a system in which Compliance Team staff will be responsible for monitoring timely completion of financial report verifications. Once the database is complete and the process is fully developed, we will document it in the Fund Coordinator and Grant Specialist handbooks. We will complete this documentation no later than October 31, 2022.

9. Work with the OR DOJ to ensure it has established a compliance team to adequately monitor subrecipients and ensure that subrecipients are adhering to the terms and conditions of the subawards.

Agree. We are developing a compliance team. The team will be a support to existing fund coordinators and will serve multiple purposes: (1) Provide a lead role, working alongside the fund coordinator, in addressing compliance issues with subrecipients who are found to have significant compliance issues; (2) Provide consultation and support to fund coordinators as they monitor subrecipients and conduct site visits; and (3) track and provide administrative support in the compliance monitoring process to ensure completion in a timely manner and in compliance with our written procedures. We will complete and finalize compliance team policies and procedures no later than December 31, 2022.

10. Work with the OR DOJ to develop and implement procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in the subrecipient's single audit reports.

Agree. As part of the grant award process, we require subrecipients to submit a Single Audit Certification letter. It requires they provide the URL for their audit report or indicate when it will be completed and when they will forward the URL. We will develop a stronger system to track that we have received the information and have also reviewed the information to determine

David J. Gaschke
August 5, 2022
Page 4

if there are any relevant audit findings that we need to address. We are in the process of developing a master database for this purpose and have started conversations about the best point in the process for us to seek and review this information. We currently seek this certification letter with the grant award documents and have discussed whether it would be a better practice to seek this information as part of the grant application process instead. Once we have made a final decision, we will document the policy and procedure within our fund coordinator and grant specialist handbooks. We will complete this no later than October 31, 2022.

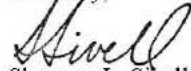
11. Ensures the OR DOJ develops and implements policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.

Agree. Regarding PMT reports, we have an extensive review process for evaluating consistency of reports we receive quarterly from subrecipients. This process allows us to identify mistakes in reporting and ask for clarification. When fund coordinators perform monitoring site visits or desk reviews they review/discuss subrecipient procedures for tracking data for PMT reports. We will update monitoring policies and procedures to reflect that fund coordinators must also verify that subrecipients have documentation to support the information reported in a subrecipient's PMT report. We will complete this update to the policy no later than October 31, 2022.

With the help of the compliance team administrative support described in our response to #9 above, we will track and complete all outstanding subrecipient monitoring visits no later than September 30, 2023.

We look forward to working with OJP to resolve these findings.

Sincerely,



Shannon L. Sivell
Director, CVSSD

Enclosure

cc: Linda J. Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

Jalila Sebbata
Grants Management Specialist
Office for Victims of Crime

APPENDIX 4: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

August 12, 2022

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

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs' Victim Assistance Grants Awarded to the Oregon Department of Justice, Salem, Oregon*

This memorandum is in response to your correspondence, dated July 8, 2022, transmitting the subject draft audit report for the Oregon Department of Justice (OR DOJ). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains 11 recommendations and \$52,814¹ in net 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 the OR DOJ to establish written procedures for the allocation of CVF subgrant funds to its subrecipients.

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is currently documenting its written policies and procedures pertaining to the allocation of Crime Victims Fund (CVF) subgrant funds. The OR DOJ stated that these policies and procedures will include a review and approval of final allocations by the director and grant unit manager, as well as a verification process by at least one other staff member to ensure the allocation calculations are accurate.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that written procedures are established for the allocation of CVF subgrant funds to its subrecipients.

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

- 2. We recommend that OJP work with the OR DOJ to develop and implement policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it has added a procedure to its checklist to ensure that access to its grant management system, E-grant, is terminated when employees leave the agency. However, the OR DOJ did not provide a copy of the checklist, or the written policies and procedures.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, along with a copy of the checklist, to ensure that access to its grant management system is limited to authorized individuals.

- 3. We recommend that OJP work with the OR DOJ to ensure a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories as required by OJP.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ disagreed with this recommendation, and stated that its current practice allows the OR DOJ to account for changes in subgrantee spending, and make adjustments accordingly, to ensure that the OR DOJ spend the full allocations. Additionally, the OR DOJ stated that its allocations are spent across several years, resulting in the ability to monitor and shift funds, as needed, to ensure that priority requirements are met. However, the OR DOJ stated that, within the policies and procedures being implemented to address Recommendation Number 1, they have incorporated a documented process to ensure that each of the required priority category set-asides are met during the preliminary planning process.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories, as required .

- 4. We recommend that OJP work with the OR DOJ to remedy \$23,610 in unallowable questioned costs for subrecipient expenditures.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it will work with the identified subrecipients to reconcile and remedy the \$23,610 in unallowable questioned costs, including enhancing its technical assistance to ensure that subrecipients understand what must be documented to comply with Federal procurement standards.

Accordingly, we will review the \$23,610 in questioned costs, related to unallowable subrecipient expenditures, and will work with the OR DOJ to remedy, as appropriate.

- 5. We recommend that OJP work with the OR DOJ to remedy \$20,953 in unsupported questioned costs for subrecipient expenditures.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, although the OR DOJ agreed in part with the recommendation, the OR DOJ stated that it is working with the identified subrecipients to reconcile and remedy the \$20,953 in unsupported questioned costs, and will request more information, including relevant financial reports.

Accordingly, we will review the \$20,953 in questioned costs, related to unsupported subrecipient expenditures, and will work with the OR DOJ to remedy, as appropriate.

- 6. We recommend that OJP ensure that the OR DOJ update its procedures for drawing down federal funds to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is working with its Administrative Services Division to create policies to ensure that the amount of Federal cash-on-hand is the minimum amount needed for reimbursements or disbursements to be made within 10 days.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal cash-on-hand is the minimum amount needed for disbursements to be made immediately, or within 10 days of drawdown.

- 7. We recommend that OJP work with the OR DOJ to remedy \$8,660 in unsupported questioned cost match contributions.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is working with the identified subrecipients to make the necessary adjustments to provide the appropriate match.

Accordingly, we will review with the \$8,660 in questioned costs, related to unsupported match contributions, and will work with the OR DOJ to remedy, as appropriate.

- 8. We recommend that OJP work with the OR DOJ to ensure all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is working on bringing all financial verifications current for all its grantees. Further, OR DOJ stated that it is: 1) establishing a database to track all financial report verification due dates and document completions; 2) establishing a system in which the Compliance Team staff will be responsible for monitoring timely completion of financial report verifications; and 3) documenting these changes in the Fund Coordinator and Grant Specialist handbooks.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that all outstanding subrecipient financial report verifications are completed, as required by the OR DOJ.

9. **We recommend that OJP work with the OR DOJ to ensure it has established a compliance team to adequately monitor subrecipients and ensure that subrecipients are adhering to the terms and conditions of the subawards.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is developing a compliance team to support the existing fund coordinators, which will serve multiple purposes, including working alongside the fund coordinators in addressing compliance issues, providing support to fund coordinators in monitoring subrecipients, and providing administrative support in compliance monitoring.

Accordingly, we will coordinate with the OR DOJ to ensure that a compliance team is established to adequately monitor subrecipients, and ensure that subrecipients are adhering to the terms and conditions of the subawards.

10. **We recommend that OJP work with the OR DOJ to develop and implement procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in the subrecipient's single audit reports.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is working to develop a stronger system to track and review subrecipients' single audit reports. Additionally, OR DOJ stated that it will develop a database to monitor its subrecipients' audit findings.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that: subrecipients' audit findings are properly monitored; and when appropriate, management decisions are issued for relevant findings in the subrecipient's single audit reports.

11. **We recommend that OJP ensures the OR DOJ develops and implements policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.**

OJP agrees with the recommendation. In its response, dated August 5, 2022, the OR DOJ stated that it is updating its policies and procedures to reflect that fund coordinators must also verify that subrecipients have documentation to support the performance information reported in the subrecipient's Performance Measurement Tool (PMT) report. Additionally, the OR DOJ stated that once the compliance team is formed, it will assist, track, and complete all outstanding issues noted in subrecipient monitoring visits.

Accordingly, we will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that periodic verifications are performed of the performance metrics data submitted to OJP's Office of Victims of Crime, and all outstanding subrecipient monitoring visits are timely completed.

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

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

Kristina Rose
Director
Office for Victims of Crime

Katherine Darke Schmitt
Acting Principal Deputy Director
Office for Victims of Crime

Kathrina S. Peterson
Deputy Director
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James Simonson
Associate Director for Operations
Office for Victims of Crime

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

Jalila Sebbata
Grant Management Specialist
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Rachel Johnson
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Louise Duhamel
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Jorge L. Sosa
Director, Office of Operations – Audit Division
Office of the Inspector General

OJP Executive Secretariat
Control Number IT20220711090538

APPENDIX 5: 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 Oregon Department of Justice (OR DOJ). The OR DOJ's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4 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. The OR DOJ agreed with 9 of 11 recommendations, disagreed with 1 recommendation, and partially agreed with 1 recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Work with the OR DOJ to establish written procedures for the allocation of CVF subgrant funds to its subrecipients.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that written procedures are established for the allocation of CVF subgrant funds to its subrecipients. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it has now documented its practice in writing (VOCA Allocation Policy/Procedures) and is in the process of finalizing the written procedure. The OR DOJ will incorporate the process into the Fund Coordinator Handbook when it is finalized. The OR DOJ further stated that the procedure includes review and approval of final allocations by the director and grant unit manager, as well as a verification process at several steps by at least one other staff member to support the work of the staff primarily responsible for allocation calculations. The OR DOJ anticipates that it will complete the policy review and incorporation into the handbook no later than September 30, 2022.

This recommendation can be closed when we receive documentation that the OR DOJ has established the written procedures for the allocation of CVF subgrant funds to its subrecipients.

- 2. Work with the OR DOJ to develop and implement policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, along with a copy of the checklist, to ensure that access to its grant management system is limited to authorized individuals. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it has added this item to a checklist followed by OR DOJ's Management Assistant when an employee leaves. The OR DOJ also stated that the Management Assistant will contact its internal E-grants leads to request access be terminated for the departing employee.

This recommendation can be closed when we receive documentation that the OR DOJ has developed and implemented policies and procedures governing access to its grant management system, ensuring access is limited to authorized individuals.

3. Work with the OR DOJ to ensure a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories as required by OJP.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that a minimum of 10 percent of the total grant funds is allocated to each of the four-priority victim categories, as required. As a result, this recommendation is resolved.

The OR DOJ disagreed with our recommendation and stated that its current practice allows for changes in subgrantee spending, and for making adjustments accordingly, to ensure that the OR DOJ meets the allocation requirements. Additionally, the OR DOJ stated that its allocations are spent across several years, resulting in the ability to monitor and shift funds, as needed, to ensure that priority requirements are met. However, the OR DOJ stated that within the policies and procedures being implemented to address recommendation number 1, it has incorporated a documented process to ensure that each of the required priority category set-asides are met during the preliminary process. Although the OR DOJ disagreed with our recommendation, its proposed corrective action addresses our recommendation and the issue we identified.

This recommendation can be closed when we receive documentation that the OR DOJ has developed and implemented policies and procedures to ensure that a minimum of 10 percent of the total grant funds is allocated to each of the four priority victim categories.

4. Work with the OR DOJ to remedy \$23,610 in unallowable questioned costs for subrecipient expenditures.

Resolved. OJP agreed with our recommendation and stated that it will work with the OR DOJ to remedy, as appropriate, the \$23,610 in unallowable questioned costs. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it is working with the subrecipients to reconcile and remedy the unallowable questioned costs. The OR DOJ also stated that it will enhance technical assistance to ensure that subrecipients understand what must be on file to document expenses and compliance with federal procurement standards. The OR DOJ anticipates that it will resolve the issue no later than December 31, 2022.

This recommendation can be closed when we receive documentation that OJP has remedied \$23,610 in unallowable questioned costs for subrecipient expenditures.

5. Work with the OR DOJ to remedy \$20,953 in unsupported questioned costs for subrecipient expenditures.

Resolved. OJP agreed with our recommendation and stated that it will work with the OR DOJ to remedy, as appropriate, the \$20,953 in unsupported questioned costs. As a result, this recommendation is resolved.

The OR DOJ agreed in part and disagreed in part with our recommendation. The OR DOJ stated that it is reviewing subrecipient information and working with the identified subrecipients to reconcile and remedy the unsupported questioned costs. For Subrecipient D, the OR DOJ disagreed with our questioned costs and stated that the subrecipient did not utilize an indirect cost rate, but rather charged 10 percent of its administrative costs to the grant as direct costs. However, we found during our audit that Subrecipient D was unable to provide documentation to support the 10 percent administrative costs charged to the subgrants. The OR DOJ anticipates that it will resolve the remaining subrecipient issues no later than December 31, 2022.

This recommendation can be closed when we receive documentation that OJP has remedied \$20,953 in unsupported questioned costs for subrecipient expenditures.

6. Ensure that the OR DOJ update its procedures for drawing down federal funds to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately, or within 10 days. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that the Crime Victim Survivor Services Division will work with the Administrative Services Division at the OR DOJ to make sure that OR DOJ's procedures are updated to ensure the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made within 10 days. The OR DOJ anticipates that it will complete this process no later than December 31, 2022.

This recommendation can be closed when we receive documentation that the OR DOJ has updated its procedures for drawing down federal funds to ensure that the amount of federal cash on hand is the minimum needed for reimbursements or disbursements to be made immediately or within 10 days.

7. Work with the OR DOJ to remedy \$8,660 in unsupported questioned cost match contributions.

Resolved. OJP agreed with our recommendation and stated that it will work with the OR DOJ to remedy the \$8,660 in questioned costs, as appropriate, related to unsupported match contributions. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it will work with subrecipients to produce supporting documentation, and absent that, will require the subrecipients to make the necessary adjustments to provide the appropriate match. The OR DOJ anticipates that it will resolve the issue no later than December 31, 2022.

This recommendation can be closed when we receive documentation that OJP has remedied \$8,660 in unsupported questioned cost match contributions.

8. Work with the OR DOJ to ensure all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that all outstanding subrecipient financial report verifications are completed, as required by the OR DOJ. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that its monitoring policy requires financial report verifications once every grant cycle, and that it will work to bring all financial verifications current for all grantees. The OR DOJ anticipates that it will complete this no later than September 30, 2023.

The OR DOJ also stated that it is in the process of developing a master database which will track all financial report verification due dates and document completion. Additionally, the OR DOJ stated that it will establish a system in which the compliance team will be responsible for monitoring timely completion of financial report verifications. The OR DOJ will document the process in the Fund Coordinator and Grant Specialist handbooks when the database is complete and the process is fully developed. The OR DOJ anticipates that it will complete this documentation no later than October 31, 2022.

This recommendation can be closed when we receive documentation that the OR DOJ has ensured all outstanding subrecipient financial report verifications are completed as required by the OR DOJ.

9. Work with the OR DOJ to ensure it has established a compliance team to adequately monitor subrecipients and ensure that subrecipients are adhering to the terms and conditions of the subawards.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OR DOJ to ensure that a compliance team is established to adequately monitor subrecipients, and to ensure that subrecipients are adhering to the terms and conditions of the subawards. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it is developing a compliance team that will be a support to existing Fund Coordinators. The OR DOJ also stated that the compliance team will serve multiple purposes, including: (1) providing a lead role, working alongside the Fund Coordinator in addressing compliance issues with subrecipients who are found to have significant compliance issues; (2) providing consultation and support to Fund Coordinators as they monitor subrecipients and conduct site visits; and (3) tracking and providing administrative support in the compliance monitoring process to ensure completion in a timely manner and in compliance with its written procedures. The OR DOJ anticipates that it will complete and finalize the compliance team policies and procedures no later than December 31, 2022.

This recommendation can be closed when we receive documentation that the OR DOJ has ensured that it has established a compliance team to adequately monitor subrecipients and ensured that subrecipients are adhering to the terms and conditions of the subawards.

10. Work with the OR DOJ to develop and implement procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in the subrecipient's single audit reports.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that subrecipients' audit findings are properly monitored, and when appropriate, management decisions are issued for relevant findings in the subrecipient's single audit reports. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it requires subrecipients to submit a single audit certification letter as part of the grant award process. However, the OR DOJ plans to develop a stronger system to ensure that it has received and reviewed single audit reports and to determine if there are any relevant audit findings that the OR DOJ would need to address. The OR DOJ stated that it will document the policy and procedure within the Fund Coordinator and Grant Specialist handbooks and anticipates that it will complete this no later than October 31, 2022.

This recommendation can be closed when we receive documentation that the OR DOJ has developed and implemented procedures to monitor its subrecipient audit findings, and when appropriate, issue management decisions for relevant findings reported in subrecipients' single audit reports.

11. Ensures the OR DOJ develops and implements policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OR DOJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that periodic verifications are performed of the performance metrics data submitted to OJP's Office for Victims of Crime, and all outstanding subrecipient monitoring visits are timely completed. As a result, this recommendation is resolved.

The OR DOJ agreed with our recommendation. The OR DOJ stated in its response that it has an extensive review process for evaluating consistency of PMT reports that are received quarterly from subrecipients. The OR DOJ also stated that the process allows OR DOJ to identify mistakes in reporting and ask for clarification. When Fund Coordinators perform monitoring site visits or desk reviews, they review and discuss subrecipient procedures for tracking data for PMT reports. The OR DOJ stated that it will update monitoring policies and procedures to reflect that Fund Coordinators must also verify that subrecipients have documentation to support the information reported in the PMT reports. The OR DOJ anticipates that it will complete this update to its policy no later than October 31, 2022. Further, the OR DOJ stated that with the help of the compliance team administrative support, the OR DOJ will track and complete all outstanding subrecipient monitoring visits no later than September 30, 2023.

This recommendation can be closed when we receive documentation that the OR DOJ has developed and implemented policies and procedures to perform periodic verification of the performance metrics submitted to the OVC and completes all outstanding subrecipient monitoring visits.