



Audit of the Office of Justice Programs Victim Assistance
Funds Subawarded by the Kentucky Justice and Public
Safety Cabinet to the Northern Kentucky
Children's Advocacy Center,
Florence, Kentucky



AUDIT DIVISION

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EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Kentucky Justice and Public Safety Cabinet to the Northern Kentucky Children's Advocacy Center, Florence, Kentucky

Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC) to make subawards to support victim assistance programs in the state of Kentucky. The Kentucky JPSC awarded \$346,847 in crime victim assistance funds to the Northern Kentucky Children's Advocacy Center (NKYCAC) under a subaward starting October 1, 2021, through September 30, 2022. The purpose of the NKYCAC's subaward was to provide services to victims of child abuse through forensic interviewing, family advocacy, and mental health services. As of November 2022, Kentucky JPSC had reimbursed the NKYCAC the total subaward amount of \$346,847.

Audit Objective

The objective of this DOJ Office of the Inspector General (OIG) audit was to review how the NKYCAC used these funds to assist crime victims and assess whether it accounted for Victims of Crime Act (VOCA) funds in compliance with award requirements, terms, and conditions.

Summary of Audit Results

We concluded that the NKYCAC provided forensic interviewing, family advocacy, and mental health services to victims of crime in northern Kentucky. We provided a draft report to NKYCAC, Kentucky JPSC, and OJP officials. Though our report does not have any recommendations, OJP provided a response, which can be found in Appendix 2. The NKYCAC and Kentucky JPSC elected not to provide a written response.

Program Performance Accomplishments

The audit concluded that the NKYCAC provided multiple services to victims of child abuse with the VOCA funds it was awarded. Specifically, it provided: (1) forensic interviewing to help child victims and ensure coordination among social workers and law enforcement, (2) family advocacy to guide parents to needed services, and (3) mental health services to offer continued assistance to victims of crime when needed.

Financial Management

We determined that the NKYCAC implemented adequate financial management controls and properly spent VOCA funds on budgeted personnel.

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Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by the Northern Kentucky Children’s Advocacy Center (NKYCAC), which is located in Florence, Kentucky. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC), which serves as the State Administering Agency (SAA) for Kentucky and makes subawards to direct service providers. As a direct service provider, the NKYCAC received a subaward from the Kentucky JPSC totaling \$346,847. These funds originated from the Kentucky JPSC’s 2020-V2-GX-0026 federal grant, as shown in Table 1.

Table 1

Audited Subaward to the NKYCAC from the Kentucky JPSC

Kentucky JPSC Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
VOCA-2021-Northern K-00142	2020-V2-GX-0026	10/01/2021	9/30/2022	\$346,847

Source: JustGrants and the Kentucky JPSC

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund (CVF) is used to support crime victims through DOJ programs and state and local victim assistance and compensation initiatives.¹ According to OJP’s program guidelines, victim assistance services eligible to receive VOCA support must: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, or (4) provide victims of crime with a measure of safety and security. In addition, direct service providers receiving VOCA victim assistance subawards may provide a variety of support to victims of crime, to include offering help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

The Northern Kentucky Children’s Advocacy Center

The NKYCAC, founded in 1987, is a non-profit organization in Florence, Kentucky, whose mission is to provide services to children who have been sexually abused, severely physically abused, and have witnessed violent crimes. According to its website, the NKYCAC serves 8 counties in northern Kentucky and provides services to over 800 abused children on an annual basis. The NKYCAC’s services include forensic interviewing, in which a trained individual speaks with a child to determine if there are concerns of abuse or if the child has witnessed abuse to others.² Additionally, the NKYCAC provides family advocacy to connect

¹ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress.

² During the forensic interviews, a NKYCAC forensic interviewer meets with a child individually, while individuals from

Continued

non-offending caregivers with services that will help the child. Finally, the NKYCAC provides mental health services for children who could benefit from meeting with a professional.

OIG Audit Approach

The objective of this audit was to review how the NKYCAC used the VOCA funds received through a subaward from the Kentucky JPSC to assist crime victims and assess whether the NKYCAC accounted for VOCA funds in compliance with award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and financial management.

To gain a further understanding of victim assistance subaward oversight, as well as to evaluate subrecipient performance and administration of VOCA-funded programs, we solicited feedback from Kentucky JPSC officials regarding the NKYCAC's history of delivering crime victim services, accomplishments, and compliance with SAA award requirements.³ The officials did not express any significant concerns with the NKYCAC's ability to provide services to victims of crime or its compliance with the award requirements.

We tested compliance with what we considered to be the most important conditions of the subawards. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; Kentucky JPSC guidance; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the OVC and SAA award documents contain the primary criteria we applied during this audit.

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

law enforcement and social services watch from another room. The purpose of the forensic interviews is to gain information to help the potential victim in a legally sound manner.

³ As an SAA, the Kentucky JPSC is responsible for monitoring the performance of, providing technical assistance to, collecting data from, and processing victim assistance reimbursements requested by the NKYCAC. As such, we considered the results of our audit of victim assistance grants awarded to the Kentucky JPSC in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Kentucky Justice and Public Safety Cabinet, Frankfort, Kentucky](https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-kentucky-justice-and-public), Audit Report 21-118 (September 2021), <https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-kentucky-justice-and-public>.

Audit Results

Program Performance and Accomplishments

As established by the VOCA legislation, VOCA subawards are available to subrecipients for the purpose of providing direct services to victims. The NKYCAC received its VOCA funding from the Kentucky JPSC to provide forensic interviewing, family advocacy, and trauma-informed mental health services for children who have been sexually abused, physically abused, experienced commercial sexual exploitation, or witnessed violent crimes, as well as to provide support to their protective caregivers. We obtained an understanding of the NKYCAC's standard operating procedures in relation to the subaward-funded services. We also compared the subaward solicitation, project application, and award agreement against available evidence of accomplishments to determine whether the NKYCAC demonstrated adequate evidence of providing the services for which it was funded. Overall, we concluded that the NKYCAC adhered to its subaward goals, and we did not identify any instances of non-compliance.

Program Implementation

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

To obtain an understanding of its operating procedures, including internal controls, in relation to audited victim services, we reviewed the NKYCAC's written policies and procedures that govern the VOCA-funded program. We also conducted interviews with NKYCAC's Executive Director, Finance Director, Program Director, and multiple staff members. These individuals informed us of their program operations and procedures, which they said included communicating with non-offending parents of clients prior to their first visit; meeting with the Multi-Disciplinary Team, which consists of law enforcement, social services, and prosecutors—all of whom work together to provide services for child victims of abuse; and matching victims with needed services. Based on the interviews conducted and policies reviewed, we found that the NKYCAC has adequate internal controls in place to appropriately deliver services to victims of crime.

Program Services

According to goals submitted with the subaward application, the NKYCAC was to provide a safe, victim-centered location with highly trained clinicians to provide culturally appropriate crisis support, forensic interviewing, family advocacy, and trauma informed mental health treatment services. We reviewed a sample of 10 case files to verify that these services were provided. Based upon this review, we concluded that the NKYCAC provided the aforementioned services to crime victims.

Financial Management

According to the Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We interviewed the NKYCAC Financial Director, examined policies and procedures, reviewed award documents,

and performed expenditure testing to determine whether the NKYCAC adequately accounted for the subaward funds we audited. Overall, we determined that the NKYCAC appropriately managed its finances related to the subaward and properly accounted for and documented award expenditures. Additionally, although NKYCAC does not meet the threshold of federal spending to require a single audit, we reviewed a financial monitoring report from an audit performed at the state level and found that the report did not contain any relevant findings associated with the NKYCAC.

Fiscal Policies and Procedures

To test fiscal policies and procedures, we reviewed the NKYCAC's policies related to subaward fiscal oversight, spoke with NKYCAC officials regarding financial procedures, and verified the execution of activities in accordance with the financial procedures. We found that the NKYCAC's policies, procedures, and systems allow it to account for federal funds and track expenditures.

Subaward Expenditures

Subrecipients request payment from the Kentucky JPSC's electronic grants management system. For the subaward we audited, the NKYCAC's approved budgets only included personnel expenditures. As of November 2022, we found that the Kentucky JPSC reimbursed the NKYCAC a total of \$346,847 in VOCA victim assistance funds for personnel costs.⁴

We reviewed a sample of personnel transactions to determine whether the costs charged to the projects and paid with CVF funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected 8 employees and tested their personnel transactions in 2 non-consecutive pay periods, representing total costs of \$25,658. We found that all the transactions were fully supported, approved, and complied with subaward requirements.

⁴ Following guidance from the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, the Kentucky JPSC allowed its subrecipients to waive the requirement to provide matching funds from non-federal sources. Therefore, we did not perform testing in this area except for verifying that the waiver was provided and in place for the life of this subaward.

Conclusion

As a result of our audit testing, we concluded that the NKYCAC used VOCA funds received through a subaward from the Kentucky JPSC appropriately, achieved the subaward's stated goals and objectives by providing multiple services to victims of child abuse, and accounted for the funds in compliance with award requirements, terms, and conditions. We confirmed that the NKYCAC provided multiple services to victims of crime, including crisis support, forensic interviewing, family advocacy, and trauma-informed mental health services. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. Additionally, we found that the NKYCAC adhered to guidance related to program performance and accomplishments and grant financial management. Therefore, we do not make any recommendations in this report.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how the Northern Kentucky Children's Advocacy Center (NKYCAC) used Victims of Crime Act (VOCA) funds received through a subaward to assist crime victims and assess whether the NKYCAC accounted for these VOCA funds in compliance with award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and grant financial management.

Scope and Methodology

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

This was an audit of one subaward to the NKYCAC. This subaward, totaling \$346,847, was funded by the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC) from a VOCA grant awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of November 2022, the NKYCAC had received, through reimbursement from the Kentucky JPSC, \$346,847 in subaward funds.

Our audit concentrated on, but was not limited to, October 2021 through September 2022. The Department of Justice (DOJ) Grants Financial Guide; the VOCA Guidelines and Final Rule; Kentucky JPSC guidance; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the OVC and Kentucky JPSC award documents constitute the primary criteria we applied during the audit.

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

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

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of the NKYCAC to provide assurance on its internal control

structure as a whole. The NKYCAC 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 NKYCAC's internal control structure as a whole, we offer this statement solely for the information and use of the NKYCAC, Kentucky JPSC, and OJP.⁵

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of NKYCAC's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over subaward execution and compliance with laws and regulations in our audit scope.

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

APPENDIX 2: 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

January 18, 2023

MEMORANDUM TO: Todd A. Anderson
Acting Regional Audit Manager
Chicago 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 Funds Subawarded by the Kentucky Justice and Public Safety Cabinet to the Northern Kentucky Children's Advocacy Center, Florence, Kentucky*

This memorandum is in response to your correspondence, dated December 22, 2022, transmitting the subject draft audit report for the Northern Kentucky Children's Advocacy Center (NKYCAC). NKYCAC received sub-award funds from the Kentucky Justice and Public Safety Cabinet, under the Office of Justice Programs' (OJP), Victims of Crime Act, Victim Assistance Formula Grant Program, Grant Number 2020-V2-GX-0026. The draft audit report does not contain any recommendations directed to OJP. Accordingly, OJP has reviewed the draft audit report and does not have any comments.

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

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