



Audit of the Office of Justice Programs
Victim Compensation Grants Awarded
to the Alabama Crime Victims
Compensation Commission,
Montgomery, Alabama



AUDIT DIVISION

23-076

MAY 2023

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained in Appendix 2, the Alabama Crime Victims Compensation Commission's response, and are of individuals' names.



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Alabama Crime Victims Compensation Commission, Montgomery, Alabama

Objective

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

Results in Brief

As a result of our audit, we concluded that the Alabama CVCC was able to compensate victims and survivors of criminal violence, but it needs to improve controls over reporting. This audit did not identify significant concerns regarding the Alabama CVCC's grant expenditures, drawdowns, and financial reporting. However, we identified deficiencies with the Alabama CVCC's controls over its reporting of the annual state certifications and grant performance.

Recommendations

Our report contains three recommendations to the Office of Justice Programs (OJP) to assist the Alabama CVCC in improving its annual state certification process and performance reporting. We requested a response to our draft audit report from the Alabama CVCC and OJP, which can be found in Appendices 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of three Victims of Crime Act (VOCA) victim compensation formula grants awarded by OJP's Office for Victims of Crime to the Alabama CVCC in Montgomery, Alabama. The OVC awarded these formula grants, totaling \$4,554,000 from fiscal years 2019 to 2021, from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Alabama. As of August 2022, the Alabama CVCC drew down a cumulative amount of \$3,150,000 for all of the grants we reviewed.

Program Accomplishments

We found that the Alabama CVCC established an adequate program to compensate victims and survivors of criminal violence.

Grant Program Planning and Execution

We determined that the Alabama CVCC did not have policies and procedures for preparing the required annual state certification forms. Consequently, the Alabama CVCC could not confirm that it correctly calculated the amounts on the annual state certification forms, which may have resulted in OJP awarding Alabama CVCC funds in excess of its eligibility.

Program Requirements and Performance Reporting

We determined that the Alabama CVCC did not implement adequate procedures to compile and submit accurate annual performance reports.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim compensation formula grants awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the Alabama Crime Victims Compensation Commission in Montgomery, Alabama. The OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2019 to 2021, these OVC grants totaled \$4,554,000.

Table 1

Audited Grants

Fiscal Years 2019 – 2021

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2019-V1-GX-0009	09/13/2019	10/01/2018	09/30/2022	\$1,300,000
2020-V1-GX-0002	09/17/2020	10/01/2019	09/30/2023	\$2,249,000
15POVC-21-GG-00465-COMP	09/16/2021	10/01/2020	09/30/2024	\$1,005,000
Total:				\$ 4,554,000

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

Source: JustGrants

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

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

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

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

The Grantee

As one of Alabama's state administering agencies, the Alabama Crime Victims Compensation Commission (Alabama CVCC) is responsible for administering the VOCA victim compensation program. The Alabama CVCC's mission is to provide timely and efficient assistance to innocent victims of crime in a confidential manner. It offers the assistance by providing eligible victims of crime with financial assistance for qualified expenses, while being mindful that crime victims have the right to be treated with fairness, compassion, and respect. The Alabama CVCC also works with other agencies in the victim service community to advocate for victims' rights and other related issues.

OIG Audit Approach

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

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation; the VOCA compensation program guidelines (VOCA Guidelines); 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Alabama CVCC policies and procedures, such as the Alabama Crime Victims Compensation Act, and interviewed Alabama CVCC personnel to determine how they administered the VOCA funds. Finally, we obtained and reviewed Alabama CVCC records reflecting grant activity.

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, as well as further detail on the criteria we applied for our audit.

Audit Results

Grant Program Planning and Execution

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

Overall, we determined that the Alabama CVCC's implementation of its victim compensation program was generally appropriate and in compliance with the VOCA Guidelines. We found the Alabama CVCC generally complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. However, we identified opportunities for it to improve program administration and strengthen internal controls pertaining to annual state certification completion and program performance reporting.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims directly for expenses incurred from criminal victimization. As one of the state administering agencies for Alabama, the Alabama CVCC was responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, the Alabama CVCC operated under the Alabama Crime Victims Compensation Act, which conveyed the state-specific policies for the victim compensation program.³ In assessing the Alabama CVCC's implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual compensation claims, as well as the efforts the Alabama CVCC had made to bring awareness to victims eligible for compensation program benefits.

The Alabama CVCC is responsible for assigning claim applications, reviewing those applications along with support documentation, determining claimant eligibility, and adjudicating and paying those claims. The Alabama CVCC has policies and procedures that ensure that it requests reimbursement only for federally eligible claims and has procedures to address the process from intake to payment of claims. To enhance the public's awareness of the victim compensation program, the Alabama CVCC provides training to law enforcement and social services agencies. The Alabama CVCC also provides program information on its website.

Based on our review, we found that the Alabama CVCC implemented appropriate procedures for accepting applications, reviewing cases to establish eligibility, determining applicable compensation amounts, and processing payments. We also found that the Alabama CVCC applied adequate segregation of duties when assigning claims, reviewing adjudications, and authorizing payments. In

³ AL Code § 15-23 (2014).

addition, the Alabama CVCC adopted measures to raise public awareness of its victim compensation program.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides the OVC the necessary information to determine the grant award amount. The annual state certification form must include all sources of revenue to the crime victim compensation program during the federal fiscal year, as well as the total of all compensation claims paid out to, or on behalf of, victims from all funding sources. The OVC allocates VOCA victim compensation grant funds to each state using a formula that takes into consideration the state's eligible compensation claims paid out to victims during the fiscal year 2 years prior.⁴ The accuracy of the information provided in the annual state certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We assessed Alabama CVCC's controls for preparing the annual state certification forms submitted to the OVC for FYs 2019 and 2020, which were used to calculate the award amounts granted in FYs 2021 and 2022.⁵ We reviewed the annual state certification forms, including the financial support for the payouts and revenues reported on the forms.

For the 2019 annual state certification form, we were able to reconcile the general ledger and the Alabama CVCC Financial Status Report to the annual state certification form for the following categories: (1) total amount of expenditures incurred by the compensation program for payments to, or on behalf of, crime victims; (2) VOCA grant funds expended; and (3) refunds. However, the accounting records did not support the amount reported for: (1) property damage or loss, (2) other deductions, and (3) recovery personnel costs because the Alabama CVCC could not provide any support from its accounting records for those categories. For FY 2021, OJP calculated and awarded the Alabama CVCC \$1,004,706 based on reported information, however, the accounting records support a calculated award of \$979,269, resulting in an excess award of over \$25,000.

For the 2020 annual state certification form, we were able to reconcile the general ledger to the annual state certification form for the following categories: (1) total amount of expenditures incurred by the compensation program for payments to, or on behalf of, crime victims; and (2) VOCA grant funds expended. However, the accounting records did not support the amount reported for: (1) property damage or loss, and (2) recovery personnel costs because the Alabama CVCC could not provide any support from its accounting records for those categories. The Alabama CVCC did not report any amounts on the annual state certification form for the refunds or other deductions categories. For FY 2022, OJP calculated and awarded the Alabama CVCC \$629,751 based on

⁴ In July 2021, Congress enacted the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, Pub. L. No. 117-27, § 2(a), 135 Stat. 301 (VOCA Fix Act), which changed the formula from 60 to 75 percent and removed the requirement for state compensation programs to deduct subrogation and restitution recoveries from the eligible payout amount. These changes went into effect immediately and were applied to FY 2019 annual state certification forms and FY 2021 grant awards.

⁵ The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs and the OVC makes the grant awards.

reported information, however, the accounting records support a calculated award of \$502,566, resulting in an excess award of over \$127,000.

We determined that the Alabama CVCC did not have adequate controls in place to ensure that it correctly calculated and maintained support for the amounts reported on its annual state certification forms. The Alabama CVCC did not have documented policies and procedures for preparing and maintaining support for amounts reported on the annual state certification form. The Executive Director at the time of our fieldwork could not tell us how those forms were prepared and informed us a former accountant and previous Executive Director prepared the annual state certification forms.⁶ The accountant who helped prepare the FY 2019 and FY 2020 annual state certification forms left the Alabama CVCC in May 2022. Since that time, the Alabama CVCC has employed two different accountants, and these individuals were unable to provide us supporting documentation for the FY 2019 and FY 2020 annual state certification forms. As noted above, the Alabama CVCC was unable to provide support for certain amounts reported on the annual state certification forms we reviewed. The lack of internal policies impacted the Alabama CVCC's ability to provide accurate and supported amounts on the annual state certification forms. We recommend that OJP ensure that the Alabama CVCC develops and implements written policies and procedures to include controls for retaining supporting documentation. We also recommend that OJP work with the Alabama CVCC to determine if its FY 2019 and FY 2020 crime victim state certification forms accurately reflected all activity and payments and take necessary steps to recover any over-awarded funds as appropriate.

Since the Alabama CVCC submitted its FY 2021 annual state certification form on January 12, 2023, after we had performed our fieldwork, we did not test to determine its accuracy. Therefore, we recommend that OJP work with the Alabama CVCC to ensure that the annual state certification form submitted for FY 2021 accurately reflected all activity and payments.

Program Requirements and Performance Reporting

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

Based on our overall assessment in the areas of program requirements and performance reporting, we believe that the Alabama CVCC did not implement adequate procedures to compile annual performance reports.

⁶ The Executive Director during our fieldwork held this position from November 18, 2021, until December 30, 2022. The Alabama CVCC had an acting Executive Director as of January 2, 2023.

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 reports are submitted through OJP's official grant management system.⁷ The OVC also requires states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, the state administering agency is required to produce the Annual State Performance Report and submit the report to OJP.

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

The Alabama CVCC used its claims management system to compile its annual and quarterly reports. The Alabama CVCC's Accounting Policy and Procedures states the Alabama CVCC's Information Technology (IT) Division develops reports that pull claim specific statistical information from its claims management system to meet requirements of both quarterly and annual reporting for the grant. The IT Division runs the report and provides it to the Alabama CVCC Executive Director to write the narrative portion of the PMT report. Lastly, the Alabama CVCC Accountant compiles the provided data and narrative and submits the PMT report to the OVC.

We assessed whether the Alabama CVCC's quarterly performance report to the OVC fairly reflected the performance figures of the victim compensation program. We selected three quarterly periods from the annual performance reports for FYs 2020 through 2022. We tested whether the Alabama CVCC's quarterly performance report accurately reflected the number of applications approved, the number of applications denied and closed, and the number of Sexual Assault Forensic Examination (SAFE) applications received. We attempted to reconcile performance data that was reported to the OVC to Alabama CVCC support documentation. We found the Alabama CVCC's support documentation did not always reconcile with the information reported to the OVC. Of the nine selected performance measures, the Alabama CVCC underreported for six and overreported for two. Our testing results are in Table 2 below.

⁷ In October 2020, the Justice Grants System, also known as JustGrants, replaced OJP's former Grants Management System as the new grants management and payment management system.

Table 2

**Summary from the Alabama CVCC
Victim Compensation Program Annual Performance Report
FY 2020 - FY 2022**

Year	Performance Categories	Data Reported	Data Supported	Difference
2 nd Quarter FY 2020	Applications Approved	115	131	(16)
	Applications Denied/Closed	124	138	(14)
	SAFE Received	167	257	(90)
2 nd Quarter FY 2021	Applications Approved	70	70	
	Applications Denied/Closed	86	87	(1)
	SAFE Received	122	199	(77)
2 nd Quarter FY 2022	Applications Approved	93	92	1
	Applications Denied/Closed	111	105	6
	SAFE Received	265	281	(16)

Source: OIG Analysis of Alabama CVCC Records

An Alabama CVCC official explained that the reporting process did not capture all approved and denied applications for a reporting period. The Alabama CVCC only reported the application data for those approved or denied on the dates the Alabama CVCC commissioners met to deliberate applications during the reporting period. If an application decision was made on a date other than an Alabama CVCC commissioner meeting, it was not reported to the OVC. Because the Alabama CVCC used the commissioner's meeting date, the data reported did not account for claims decisions made after the commissioner's meeting resulting in the underreporting. In addition, if an application status changed after a commissioner's meeting, the change would not be reported causing an overreporting. Consequently, the Alabama CVCC performance reporting did not accurately capture claims during a specified reporting period.

According to DOJ's Grants Financial Guide, performance reports provide information relevant to the performance and activities of a plan, program, or project. The award recipient must ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation or award. Additionally, the OVC's *Victim Compensation Program Grantee Frequently Asked Questions* advises state administering agencies that the accuracy and timeliness of reported performance measure data is extremely important because the OVC uses the data to generate an annual report on the program, as well as to respond to specific inquiries. When the Alabama CVCC submits inaccurate performance data, there is an increased risk that the Alabama CVCC is providing an incomplete or inaccurate description of the value and benefits of the program to government agencies, the victim services field, the public, and other stakeholders.

Based on our review, we recommend that OJP ensures that the Alabama CVCC develops and implements policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

Grant Financial Management

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. We assessed the adequacy of the Alabama CVCC's financial management of the VOCA victim compensation grants. We reviewed the process the Alabama CVCC used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate Alabama CVCC's financial management of the VOCA victim compensation grants, we also reviewed the Single Audit Reports for FYs 2019 to 2020 and did not identify any significant internal control weaknesses specifically related to the Alabama CVCC. We also interviewed Alabama CVCC personnel who were responsible for financial aspects of the grants, reviewed the Alabama CVCC's written policies and procedures, inspected award documents, and reviewed financial records.

Our overall assessment of grant financial management determined that the Alabama CVCC grant expenditures were generally allowable, supported by adequate documentation, and approved in accordance with Alabama Crime Victims Compensation Act and VOCA Guidelines. In addition, we determined that the Alabama CVCC implemented adequate controls over its drawdowns and federal financial reports.

Grant Expenditures

State administering agency VOCA compensation expenses fall into two overarching categories: (1) compensation claim payments – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions from each of these categories by reviewing accounting records and verifying support for select transactions.

Victim Compensation Claim Expenditures

Victims of crime in the state of Alabama submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. The Alabama CVCC staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate the Alabama CVCC's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims and supporting documentation to determine whether the payments were accurate, allowable, timely, and in accordance with the policies of the VOCA Guidelines and the Alabama CVCC. We judgmentally selected 40 approved claims, 20 denied claims, 20 sexual assault exam claims, and 10 appealed claims. The approved and sexual assault exam claims totaled \$321,312. The transactions we reviewed included costs in the following

categories: moving expenses, travel expenses, funeral services, sexual assault exams, lost wages, and medical services.

Overall, we found the expenditures we reviewed to be allowable, supported by adequate documentation, and approved in accordance with Alabama CVCC policies and VOCA Guidelines.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim compensation program. However, such costs must derive from efforts to improve program effectiveness and service to crime victims, including claims processing, staff development and training, and public outreach. For the compensation grant program, we tested the Alabama CVCC's compliance with the 5 percent limit on the administrative category of expenses.

We compared the total administrative expenditures charged to the grant against the total grant award amount and determined the Alabama CVCC complied with the 5 percent administrative cost limit. In addition, we also tested a sample of these administrative transactions to ensure costs were allowable and adequately supported. We judgmentally selected 15 transactions from the Alabama CVCC's accounting records, including software purchases and other administrative costs. We found that all transactions were allowable and supported.

Drawdowns

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

For the VOCA victim compensation awards, the Alabama CVCC procedures explain that the Alabama CVCC draws VOCA grant funds monthly based on claims payments already made by the Alabama CVCC to victims of violent crime after the approval of the Executive Director. Table 3 shows the total amount drawn down for each grant as of August 10, 2022.

Table 3

Amount Drawn Down for Each Grant as of August 2022

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2019-V1-GX-0009	\$1,300,000	9/30/2022	\$1,300,000	\$0
2020-V1-GX-0002	\$2,249,000	9/30/2023	\$1,850,000	\$399,000
15POVC-21-GG-00465-COMP	\$1,005,000	9/30/2024	\$0	\$1,005,000
Total:	\$4,554,000		\$3,150,000	\$1,404,000

Source: JustGrants

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

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the Alabama CVCC submitted accurate Federal Financial Reports, we compared the four most recent reports to the Alabama CVCC’s accounting records for the FY 2020 award.⁸ We determined that quarterly and cumulative expenditures for the reports reviewed generally matched the accounting records and there were no significant deficiencies identified for the FY 2020 victim compensation grants.

⁸ We did not test the FY 2019 award because the Alabama CVCC had not reported any expenditures since July 2020, over 2 years prior to our testing in August 2022. We did not test the FY 2021 award because the Alabama CVCC had not reported any expenditures at the time of our testing.

Conclusion and Recommendations

We found the Alabama CVCC established an adequate program to compensate victims and survivors of criminal violence and implemented procedures to bring awareness to the program. However, we found that the Alabama CVCC did not have controls in place to ensure that it correctly calculated the amounts reported on its annual state certification forms. Also, the Alabama CVCC did not implement adequate procedures to compile and submit accurate annual performance reports. We provide three recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure that the Alabama CVCC develops and implements written policies and procedures to include controls for retaining supporting documentation.
2. Work with the Alabama CVCC to determine if its FY 2019, FY 2020, and FY 2021 crime victim state certification forms accurately reflected all activity and payments and take necessary steps to recover any over-awarded funds as appropriate.
3. Ensure that the Alabama CVCC develops and implements policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

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

Scope and Methodology

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

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grants 2019-V1-GX-0009, 2020-V1-GX-0002, and 15-POVC-21-GG-00465-COMP from the Crime Victims Fund (CVF) awarded to the Alabama CVCC. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$4,554,000 to the Alabama CVCC, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2018 through November 2022. As of August 2022, the Alabama CVCC had drawn down a total of \$3,150,000 from the three audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the Alabama CVCC's activities related to the audited grants, which included conducting interviews with Alabama CVCC financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for victim compensation claim expenditures, administrative expenditures, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA compensation program guidelines, the DOJ Grants Financial Guide, Alabama Crime Victims Compensation Act policies, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from DOJ's JustGrants System as well as the Alabama CVCC's 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 Alabama CVCC to provide assurance on its internal control structure as a whole. The Alabama CVCC's management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on the Alabama CVCC's internal control structure as a whole, we offer this statement solely for the information and use of the Alabama CVCC and OJP.⁹

In planning and performing our audit, we identified internal control components and underlying internal control principles that are significant to the audit objective. Specifically, we reviewed the design and implementation of the Alabama CVCC's written grant policies and procedures and process controls pertaining to aspects of 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 those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁹ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: The Alabama Response to the Draft Audit Report



Everette Johnson
EXECUTIVE DIRECTOR

ALABAMA CRIME VICTIMS COMPENSATION COMMISSION

P.O. Box 231267
Montgomery, AL 36123-1267



COMMISSIONERS
Holly Brown-Owens, Ph.D.
Sheriff Jay Jones
Hon. Darlene Hutchinson Biehl

April 21, 2023

Mr. B. Allen Wood
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
75 Ted Turner Drive SW
Suite 1130
Atlanta, GA 30303

Re: OIG Audit Response

Dear Mr. Wood:

I appreciate the opportunity to review and respond to this draft audit report. Although my employment with ACVCC began April 1, 2023, I understand from my staff that [REDACTED] were very helpful during the audit process, and their assistance was much appreciated.

Recommendation 1

Ensure that the Alabama CVCC develops and implements written policies and procedures to include controls for retaining supporting documentation.

ACVCC's Response:

ACVCC concurs with this recommendation and by October 30, 2023, ACVCC will revise existing policies and procedures to provide uniform and consistent document retention practices and designate a unique location to retain the documentation used to generate reports. Since ACVCC's claims management system is live, the data used to generate a report will change by the time an audit is performed several years later. The data used to generate a report's contents will be copied and saved to a unique location, which will allow future audits to view the data used to generate the report on the day of its creation.

Recommendation 2

Work with the Alabama CVCC to determine if its FY 2019, FY 2020, and FY 2021 crime victim state certification forms accurately reflected all activity and payments and take necessary steps to recover any over-awarded funds as appropriate.

Reach for our helping hand.

334-290-4420 334-290-4455 (fax) 1-800-541-9388 (victims only)
www.acvcc.alabama.gov

ACVCC's Response:

ACVCC concurs with this recommendation and will work with OJP/OVC to confirm the accuracy of its FY 2019, FY 2020, and FY 2021 crime victim state certification forms, and determine if any funds were over-awarded. Supporting documentation for FY 2019 and FY 2020 certifications will be shared immediately with OJP/OVC.

Further, ACVCC will develop and implement policies and procedures to formalize the process and documentation used to calculate the state certification forms and designate a unique location for their storage. This recommendation will be resolved by October 30, 2023.

Recommendation 3

Ensure that the Alabama CVCC develops and implements policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

ACVCC's Response:

ACVCC concurs with this recommendation.

ACVCC has already discussed this issue with Kerry Luper, OVC Program/Grants Management Specialist, and [REDACTED] Senior Program Manager for the OVC VOCA Center. By October 30, 2023, ACVCC will create and implement written policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

Sincerely,



Everette L. Johnson
Executive Director

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



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

April 27, 2023

MEMORANDUM TO: B. Allen Wood
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Alabama Crime Victims Compensation Commission, Montgomery, Alabama*

This memorandum is in response to your correspondence, dated March 16, 2023, transmitting the subject draft audit report for the Alabama Crime Victims Compensation Commission (Alabama CVCC). We consider the subject report resolved and request written acceptance of this action from your office.

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

- 1. We recommend that OJP ensure that the Alabama CVCC develops and implements written policies and procedures to include controls for retaining supporting documentation.**

OJP agrees with the recommendation. In its response, dated April 21, 2023, the Alabama CVCC stated that it is currently working on revising its policies and procedures to provide uniform and consistent document retention practices, and will designate a unique location to retain the documentation used to generate reports. The CVCC stated that it anticipates completing these corrective actions by October 30, 2023.

Accordingly, we will coordinate with the Alabama CVCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that adequate controls for retaining supporting documentation are put in place for its financial processes.

2. **We recommend that OJP work with the Alabama CVCC to determine if its FY 2019, FY 2020, and FY 2021 crime victim state certification forms accurately reflected all activity and payments and take necessary steps to recover any over-awarded funds as appropriate.**

OJP agrees with the recommendation. In its response, dated April 21, 2023, the Alabama CVCC stated that it will work with OJP to confirm the accuracy of its fiscal years (FYs) 2019, 2020, and 2021 crime victim state certification forms, and determine if any funds were over-awarded. In addition, the Alabama CVCC stated that it will develop and implement policies and procedures to formalize the process and documentation used to calculate the state certification forms, and will designate a unique location to retain the documentation.

Accordingly, we will work with the Alabama CVCC to obtain a copy of its corrected FYs 2019 and 2020 crime victim state certification forms, resulting in the possibility of funds awarded in error; and, if so, take the necessary steps to recover those funds. Additionally, we will work with the Alabama CVCC to obtain a corrected copy of its FY 2021 annual state certification form; and will make the appropriate adjustments to remedy any errors in the FY 2023 VOCA grant award amount, as applicable.

3. **We recommend that OJP ensure that the Alabama CVCC develops and implements policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.**

OJP agrees with the recommendation. In its response, dated April 21, 2023, the Alabama CVCC stated that it will create and implement written policies and procedures to ensure it accurately reports and maintains supporting documentation for its reported performance data.

Accordingly, we will coordinate with the Alabama CVCC to obtain a copy of their written policies and procedures, developed and implemented, to ensure data reported in its performance reports is accurate, and the supporting documentation is maintained for future auditing purposes.

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

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Alabama Crime Victims Compensation (Alabama CVCC). The OJP's response is incorporated in Appendix 3 and the Alabama CVCC's response is incorporated in Appendix 2 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 Alabama CVCC concurred with all three recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure that the Alabama CVCC develops and implements written policies and procedures to include controls for retaining supporting documentation.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Alabama CVCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that adequate controls for retaining supporting documentation are put in place for its financial processes.

The Alabama CVCC concurred with our recommendation and stated in its response that by October 30, 2023, it will revise existing policies and procedures to provide uniform and consistent document retention practices and designate a unique location to retain the documentation used to generate reports. The Alabama CVCC also stated that since its claims management system is live, the data used to generate a report will change by the time an audit is performed several years later. The data used to generate a report's contents will be copied and saved to a unique location, which will allow future audits to view the data used to generate the report on the day of its creation.

This recommendation can be closed when OJP provides evidence that the Alabama CVCC implemented policies and procedures that include controls to ensure the retention of supporting documentation.

- 2. Work with the Alabama CVCC to determine if its FY 2019, FY 2020, and FY 2021 crime victim state certification forms accurately reflected all activity and payments and take necessary steps to recover any over-awarded funds as appropriate.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with the Alabama CVCC to obtain a copy of its corrected FYs 2019 and 2020 crime victim state certification forms, resulting in the possibility of funds awarded in error; and, if so, take the necessary steps to recover those funds. Additionally, the OJP stated that it will work with the Alabama CVCC to obtain a corrected copy of its FY 2021 annual state certification form;

and will make the appropriate adjustments to remedy any errors in the FY 2023 VOCA grant award amount, as applicable.

The Alabama CVCC concurred with our recommendation and stated in its response that by October 30, 2023, it will work with the OJP to confirm the accuracy of its FY 2019, FY 2020, and FY 2021 crime victim state certification forms, and determine if any funds were over-awarded. The Alabama CVCC also stated that it will immediately share supporting documentation for FY 2019 and FY 2020 certifications with OJP. The Alabama CVCC further stated they will develop and implement policies and procedures to formalize the process and documentation used to calculate the state certification forms and designate a unique location for their storage.

This recommendation can be closed when OJP provides evidence that: (1) the FY 2019 and FY 2020 annual state certification forms were corrected and steps have been taken to recover any over-awarded funds; and (2) the FY 2021 annual state certification form is correct and make the appropriate adjustments to remedy any errors in the FY 2023 VOCA grant award amount, as applicable.

3. Ensure that the Alabama CVCC develops and implements policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Alabama CVCC to obtain a copy of their written policies and procedures, developed and implemented, to ensure data reported in its performance reports is accurate, and the supporting documentation is maintained for future auditing purposes.

The Alabama CVCC concurred with our recommendation and stated in its response that the Alabama CVCC has already discussed this issue with the Office for Victims of Crime and that by October 30, 2023, the Alabama CVCC will create and implement written policies and procedures to ensure it accurately reports performance and maintains supporting documentation for its reported performance.

This recommendation can be closed when OJP provides evidence that the Alabama CVCC implemented policies and procedures that ensure it accurately reports performance and maintains supporting documentation for its reported performance.