



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the Rhode Island
Public Safety Grant Administration Office to the
Blackstone Valley Advocacy Center, Pawtucket,
Rhode Island



AUDIT DIVISION

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EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Rhode Island Public Safety Grant Administration Office to the Blackstone Valley Advocacy Center, Pawtucket, Rhode Island

Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the Rhode Island Department of Public Safety and administered by the Rhode Island Public Safety Grant Administration Office (PSGAO) to make subawards to support victim assistance programs in the state of Rhode Island. PSGAO awarded \$180,066 in crime victim assistance funds to the Blackstone Valley Advocacy Center (BVAC) under four subawards from December 2020 through September 2022. The purpose of BVAC's subawards was to provide law enforcement advocacy and transitional housing services to domestic violence and sexual assault victims of crime. As of September 2022, PSGAO had reimbursed BVAC for a cumulative amount of \$180,066 for the subawards we reviewed.

Audit Objective

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

Summary of Audit Results

We concluded that BVAC provided services to victims of crime in Rhode Island. However, we found significant deficiencies with their financial management of the subawards. Many unallowable costs, including program income, resulted from a lack of understanding and adherence to PSGAO guidance, the DOJ Grants Financial Guide, and VOCA Guidelines.

Program Performance Accomplishments

The audit concluded BVAC provided law enforcement advocacy and transitional housing services to victims of crime in Rhode Island. However, BVAC's program policies and procedures did not ensure compliance with the federal award requirements.

Financial Management

We concluded BVAC's financial policies and procedures did not ensure compliance with the DOJ Grants Financial Guide and federal award requirements. We also found that BVAC did not ensure personnel costs reflected actual time spent working on the subawards, charged rent for BVAC-owned rental units, received program income from victims for services, charged costs for idle rental units, did not ensure its facilities maintenance provider costs were appropriately supported, and charged agency-wide costs to a subaward. As a result, we question a total of \$68,295 in unallowable costs and \$18,746 in unsupported costs.

Recommendations

Our report contains nine recommendations. We provide seven recommendations to OJP and PSGAO and two recommendations to OJP to assist PSGAO and BVAC with their award management and administration. We requested a response to our draft audit report from BVAC, PSGAO, and OJP officials; these responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

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Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by the Blackstone Valley Advocacy Center (BVAC), operating in Pawtucket, Rhode Island. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Rhode Island Department of Public Safety and administered by the Rhode Island Public Safety Grant Administration Office (PSGAO), which serves as the state administering agency (SAA) for Rhode Island to make subawards to direct service providers. As a direct service provider, BVAC received four subawards from PSGAO totaling \$180,066 between December 2020 and October 2021. These funds originated from PSGAO’s fiscal year (FY) 2020 and 2021 federal grants, as shown in Table 1.

Table 1

Audited Subawards to BVAC from PSGAO

PSGAO Subaward Identifier	Program Service	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
20-20104-VOCA	Law Enforcement Advocacy	2020-V2-GX-0062	12/1/2020	9/30/2021	\$55,583
20-20103-VOCA	Transitional Housing	2020-V2-GX-0062	12/1/2020	9/30/2021	\$49,107
21-2102-VOCA	Law Enforcement Advocacy	15POVC-21-GG-00596-ASSI	10/1/2021	9/30/2022	\$40,019
21-2103-VOCA	Transitional Housing	15POVC-21-GG-00596-ASSI	10/1/2021	9/30/2022	\$35,357
Total:					\$180,066

Source: JustGrants and PSGAO

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, and (4) provide victims of crime with a measure of safety and security. Direct service providers receiving VOCA victim assistance subawards thus may provide a variety of support to victims of crime, to include offering

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.

help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

Blackstone Valley Advocacy Center

BVAC is a 501(c)(3) non-profit organization operating in Pawtucket, Rhode Island, whose mission is to provide comprehensive services to victims of domestic violence and sexual assault and prevention education to the community at large in Pawtucket, Central Falls, Cumberland, and Lincoln, Rhode Island.

BVAC was founded in 1987 to provide services to victims of domestic and sexual violence and has been a subrecipient of VOCA grants since at least 2001. BVAC's services and programs include transitional housing, victims of crime helpline, support groups, community outreach and education, court advocacy, law enforcement advocacy (LEA), and Latinx advocacy, amongst others. The services funded by the subawards in our audit include LEA and transitional housing.

OIG Audit Approach

The objective of this audit was to review how BVAC used the VOCA funds received through subawards from PSGAO to assist crime victims and assess whether BVAC accounted for VOCA funds in compliance with select 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 PSGAO officials regarding BVAC's records of delivering crime victim services, accomplishments, and compliance with PSGAO award requirements.²

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; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; PSGAO guidance; and the OVC and PSGAO 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. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

² As an SAA, PSGAO is responsible for ensuring that BVAC subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subawards; and that the subawards performance goals are achieved. As such, we considered the results of our audit of victim assistance grants awarded to PSGAO in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Office for Victims of Crime Assistance Grants Awarded to the Rhode Island Department of Public Safety Grant Administration Office, Providence, Rhode Island](https://oig.justice.gov/reports/audit-office-justice-programs-office-victims-crime-assistance-grants-awarded-rhode-island), Audit Report GR-70-17-004 (March 2017), oig.justice.gov/reports/audit-office-justice-programs-office-victims-crime-assistance-grants-awarded-rhode-island.

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. BVAC received its VOCA funding from PSGAO to provide survivors of domestic violence and sexual assault and their families with LEA and transitional housing support. We obtained an understanding of BVAC's standard operating procedures in relation to the subaward-funded services. We also compared each subaward solicitation, application, and subaward agreement against available evidence of accomplishments to determine whether BVAC demonstrated adequate progress towards providing the services for which it was funded. Overall, we concluded BVAC adhered to the goals of its subawards and provided LEA and transitional housing services to victims of crime. However, we believe BVAC would benefit from enhanced written programmatic policies and procedures.

Program Implementation

According to the DOJ Grants Financial Guide, recipients of federal awards should maintain a well-designed and tested system of internal controls. The DOJ Grants Financial 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 standard operating procedures in relation to audited victim services, we conducted interviews with BVAC's Executive Director, Director of Community Service (LEA), and Director of Residential Services (transitional housing). We also requested BVAC's written policies and procedures that govern the VOCA-funded programs. Based on our review, we determined that BVAC's policies and procedures for both the LEA and transitional housing programs provided comprehensive coverage of its operations. However, BVAC's transitional housing policies state that victims pay a monthly amount (program income) to BVAC. As discussed later in the [Subaward Expenditures and Matching Costs](#) section of the report, subrecipients must provide direct services at no charge to the victim unless the SAA grants a waiver allowing the subrecipient to generate program income by charging for services. We found that BVAC did not receive a waiver from PSGAO. Therefore, we recommend that OJP and PSGAO ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.

Program Services

According to the goals of the subawards, BVAC was to provide LEA and transitional housing services with the funds provided by PSGAO.

The three goals for the 2020 and 2021 LEA subawards were to provide: (1) emergency advocacy and support to victims by significantly enhancing the police response to victim's needs, (2) information to the

Pawtucket, Central Falls, Cumberland, and Lincoln police departments on an ongoing basis, and (3) more extensive follow up to victims of domestic violence and sexual assault.

The three goals for the 2020 and 2021 transitional housing subawards were: (1) to provide training opportunities and services to both staff members and survivors of domestic violence in continued collaboration with Rhode Island coalitions and partnering community organizations, (2) to have four VOCA-funded transitional housing units (for the 2020 transitional housing subaward) and three VOCA-funded units (for the 2021 transitional housing subaward) occupied, and (3) maintain a safe, affordable living environment for families so that they can continue to live a violence-free life.

We interviewed the BVAC Directors of both the LEA and transitional house programs, reviewed relevant programmatic documentation, including lease agreements and case files, and confirmed performance metrics with the BVAC Executive Director. Based on our analysis, we concluded that BVAC provided LEA and transitional housing services to domestic violence and sexual assault victims of crime.

Financial Management

According to the DOJ Grants Financial 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 conducted interviews with the BVAC Executive Director and Fiscal Director, examined policies and procedures, reviewed subaward documents, and performed expenditure testing to determine whether BVAC adequately accounted for the subaward funds we audited. Overall, we concluded BVAC's financial management lacked an understanding of and adherence to PSGAO guidance, the DOJ Grants Financial Guide, and the VOCA Guidelines. We found significant deficiencies in BVAC's internal controls that we believe are the result of inadequately developed and implemented policies and procedures; these deficiencies are discussed in the following sections of this report.

Fiscal Policies and Procedures

BVAC maintains written fiscal policies and procedures. However, based on our review, we determined that financial and accounting internal control operations did not ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including how payroll timesheets were used to support the allocation of time spent specifically working on the subaward and the associated payroll costs charged to the subaward. As described in the [Subaward Expenditures and Matching Costs](#) section below, not having adequate policies and procedures in place hindered BVAC's ability to adequately manage grant funds. We believe updated financial management policies and procedures would help ensure compliance with federal award requirements. As a result, we recommend that OJP and PSGAO ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.

Subaward Expenditures and Matching Costs

BVAC requested payment from PSGAO via a monthly Grant Reimbursement Request and Fiscal Report (SF-260-R) with documents supporting all expenses. For the subawards we audited, BVAC's approved budgets included personnel, employee benefits, supplies, and other costs. As of September 2022, we found that PSGAO paid a total of \$180,066 to BVAC with VOCA funds for costs incurred in these areas.

We reviewed a sample of BVAC transactions to determine whether the costs charged to the projects and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected personnel and fringe benefits and other direct costs transactions totaling \$35,153. The transactions we reviewed included costs in the following categories: personnel, fringe benefits, supplies, and other costs (e.g., rent, utilities, depreciation).

As a result of our testing, we questioned costs as detailed in the following sections. Unless noted below, the transactions tested were allowable and adequately supported.

Personnel Costs

The largest cost area for which BVAC received reimbursement for the LEA subawards was personnel costs, while the transitional housing subawards did not include personnel costs. We determined PSGAO reimbursed BVAC \$77,560 for personnel and fringe benefit costs, amounting to 81 percent of total reimbursements (\$95,602) for the LEA subawards. We selected a judgmental sample of two non-consecutive pay periods from each LEA subaward, which included three individual bi-weekly employee payments, totaling \$5,378. We also tested \$685 in fringe benefits and \$1,177 in bonuses.

Although we determined the LEA subaward personnel supporting documentation to be adequate, we believe BVAC should improve its internal controls related to personnel and fringe benefits to include a periodic review of its allocations. We determined BVAC used predetermined amounts to allocate personnel and fringe benefit costs to the subaward and did not evaluate if the allocations were aligned with the actual time spent on subaward activities. The DOJ Grants Financial Guide states that, where grant recipients work on multiple grant programs or cost activities, documentation must support a reasonable allocation or distribution of costs among specific activities or cost objectives. In addition, salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed. We did not question costs related to personnel and fringe benefits, however, as stated earlier in the [Fiscal Policies and Procedures](#) section, we recommend that OJP and PSGAO ensure BVAC develops and implements updated written financial policies and procedures to ensure compliance with the DOJ Grants Financial Guide and federal award requirements.

Other Costs

To test other direct costs charged to the subawards, we selected a sample of 32 transactions totaling \$27,914 from BVAC's accounting records. We judgmentally selected 13 transactions from the 2020 transitional housing subaward, 6 transactions from the 2020 LEA subaward, 11 transactions from the 2021 transitional housing subaward, and 2 from the 2021 LEA subaward. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documentation.

During testing, we determined many of the expenditures we selected were either unallowable or unsupported. Based on the results of our initial testing, we expanded our sample to include additional costs charged to the subawards. As a result, we question \$82,241 in rent, utilities, depreciation, and other costs as discussed further in the following sections.

Rent, Utilities, and Depreciation

As part of the transitional housing subawards, BVAC pays rent for transitional housing units. We found for the 2020 transitional housing subaward, BVAC used subaward funds to pay rent to itself for three units it owned. According to the DOJ Grants Financial Guide, rental costs may not be charged to the grant if the recipient owns the building or has a financial interest in the property. With the 2020 subaward funds, BVAC paid itself \$28,500 in rental payments for its owned units. We reviewed a letter dated July 7, 2021, from PSGAO to BVAC, that indicated PSGAO was aware that BVAC was using subaward funds to pay itself rent for properties it owned and provided guidance to BVAC that it was allowable to do so. However, we believe this guidance misled BVAC, and the letter did not represent the requirements of the DOJ Grants Financial Guide as stated above. We spoke with OJP and OJP's Office of the Chief Financial Officer (OCFO) officials about this matter and our concerns related to the guidance PSGAO provided to BVAC.

As reported in BVAC's FY 2019 and 2020 single audit reports, BVAC charged the grant for rental payments to capture the costs of its owned residential properties used for programmatic purposes. The single audit reports recommended that management contact federal agencies and rely on federal guidance regarding the allowability of expenditures. In addition, the FY 2020 single audit report included questioned costs of \$36,900 related to the BVAC-owned rental units. In response to the single audit report findings, BVAC self-reported the issue to PSGAO and ceased paying rent to itself in August 2021. In June 2023, BVAC's FY 2021 single audit report was completed despite being due by September 2022 according to Uniform Guidance requirements. BVAC's FY 2021 single audit report included \$25,200 in additional questioned costs related to BVAC-owned rental unit transactions. Of the \$62,100 in questioned costs for rent identified in the FYs 2020 and 2021 single audit reports, \$28,500 of the transactions identified in the reports were made during the subaward periods and charged to the two transitional housing subawards in our audit scope. As a result, we question \$28,500 of BVAC-owned rental units as unallowable. We recommend OJP and PSGAO remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.

In addition, we determined that PSGAO did not take appropriate action on BVAC's single audit report findings, including addressing the questioned costs. The Uniform Guidance at 2 C.F.R. § 200.521 requires the agency or pass-through entity responsible for oversight to issue a management decision on audit findings within 6 months after receipt of the single audit report and ensure that the subrecipient takes appropriate and timely corrective action. We recommend OJP require PSGAO to develop and implement written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.

BVAC also used subaward funds to pay for rent (including for BVAC-owned and non BVAC-owned properties), utilities, and depreciation for idle, unoccupied transitional housing units. According to the DOJ Grants Financial Guide, the rental costs of space procured for project usage should not be charged to the program for periods of non-occupancy without authorization of the grant making component, and furthermore, depreciation or use allowance on idle or excess facilities is not allowable except when specifically authorized by the federal awarding agency. Using BVAC-provided accounting documents, we calculated \$20,589 in subaward funds paid for rent, utilities, and depreciation expenses for idle rental units. We discussed this issue with PSGAO officials who stated, as did BVAC, that Rhode Island has a challenging housing market, and it may be necessary to pay for unoccupied units to have available housing for victims when needed. However, PSGAO did not document an approval to BVAC to maintain idle rental units and BVAC did not provide anything to substantiate that it had approval to charge depreciation for the idle units. As a result, we question \$20,589 of rent, utilities, and depreciation for idle units as unallowable. We

recommend OJP and PSGAO remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.

Program Income

BVAC charged a calculated fee, similar to a monthly rent, to the victims that occupied the transitional housing units. According to the VOCA Guidelines, subrecipients shall provide VOCA-funded direct services at no charge unless the SAA grants a waiver allowing the subrecipient to generate program income by charging for services. In addition, PSGAO subaward documents to BVAC included general subaward conditions and assurances that stated, "No income should be earned by the Subgrantee's project with respect to funds received through PSGAO. If funds are generated (program income) by the project's operation, they must be accounted for and expended on program-related activities." BVAC did not report program income on its monthly Grant Reimbursement Request and Fiscal Report (SF-260-R) to PSGAO. Although this monthly report form does not include a section to report program income, the program activity was financial activity associated with the subaward and we believe that BVAC should have reported it in some way to PSGAO. Moreover, in reviewing BVAC accounting records, we determined BVAC did not expend the income on program-related activities, or offset grant award drawdown amounts with the income it received. We spoke with PSGAO officials who stated they were not aware BVAC charged rent to victims and believed all services provided to victims using VOCA funds should be at no cost to the victim. PSGAO also confirmed to us that it did not issue a waiver to BVAC to earn program income for its transitional housing program. We spoke with OJP and OCFO about this matter and our related concerns about the quality of PSGAO's monitoring of BVAC activities.

According to the Uniform Guidance, program income should be used to defray program costs and program income that a recipient did not anticipate at the time of a federal award must be used to reduce the federal award and non-federal contributions rather than to increase the funds committed to the project. According to its accounting records, BVAC collected \$19,206 in program income during the period covered by our audit, and we question that amount due to BVAC's non-compliance with the terms of its subaward from PSGAO and non-compliant handling of the program income. We therefore recommend OJP and PSGAO remedy \$19,206 in award costs associated with the unapproved program income.

Facilities Maintenance Provider

We found that BVAC was reimbursed \$15,066 from the 2021 transitional housing subaward to pay a facilities maintenance provider who completed daily upkeep and repairs for the BVAC organization as a whole. We requested all supporting documentation for the facilities maintenance service provider and were provided timesheets. BVAC does not maintain other support such as invoices or agreements. We reviewed two timesheets for the facilities maintenance provider, each of which included total time worked for a specific day. BVAC officials stated they were unable to determine the number of hours specifically spent on transitional housing subaward-related work. According to the DOJ Grants Financial Guide, an adequate accounting system allows recipients to maintain documentation to support all receipts and expenditures and obligations of federal funds. We determined the charges were not supported by adequate documentation. As a result, we question \$15,066 as unsupported. We recommend OJP and PSGAO remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.

Phone and Internet

We found that BVAC was reimbursed \$3,954 from the 2020 LEA subaward to pay for phone and internet services for the entire BVAC organization rather than limited specifically to the subaward-funded program. According to BVAC, the entire organizational expense was charged to the subaward due to the available funding in the phone and internet cost category. As noted above, the DOJ Grants Financial Guide requires recipients to maintain documentation to support all receipts and expenditures and obligations of federal funds. According to BVAC officials, \$274 of the \$3,954 charged was directly in support of the LEA 2020 subaward. As a result, we question \$3,680 (\$3,954 - \$274) of phone and internet costs as unsupported. We recommend OJP and PSGAO remedy the \$3,680 in unsupported phone and internet costs.

Matching Requirement

VOCA Guidelines generally require that subrecipients match 20 percent of each subaward unless OVC waived this requirement. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent resources to leverage federal funding and encourage investment and engagement in VOCA-funded projects. Match contributions must come from non-federal sources and can be either cash or in-kind match.³ The SAA has primary responsibility for ensuring subrecipient compliance with the matching requirements.

To review the provision of matching funds, we reviewed supporting documentation for each of the subawards. We found the reported match amounts were accurate and we did not identify any issues related to matching costs for BVAC.

In response to the VOCA Fix to Sustain the Crime Victims Fund Act of 2021 (VOCA Fix), OVC issued a revised Match Waiver Approval Process requiring SAAs to establish new match policies and provide the new policies to OVC and to subrecipients about waivers during a pandemic national emergency. During our audit, we found that PSGAO did not provide revised guidance to OVC and did not notify its subrecipients that all matches would be waived during the pandemic national emergency. As a result, we recommend that OVC work with PSGAO to develop and implement written policies and procedures that ensure PSGAO complies with the VOCA Fix requirements.

³ In-kind match contributions may include donations of expendable equipment, office supplies, workshop or classroom materials, workplace, or the value of time contributed by those providing integral services to the funded project.

Conclusion and Recommendations

As a result of our audit testing, we concluded that BVAC assisted domestic violence and sexual assault victims of crime in Rhode Island; however, the accounting and management of subaward funds should be improved. Many unallowable costs, including program income, resulted from a lack of understanding and adherence to PSGAO guidance, the DOJ Grants Financial Guide, and VOCA Guidelines. Our audit report identified nine recommendations, and we provide seven recommendations to OJP and PSGAO and two recommendations to OJP to address these deficiencies.

We recommend that OJP and PSGAO:

1. Ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.
2. Ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.
3. Remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.
4. Remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.
5. Remedy \$19,206 in award costs associated with the unapproved program income.
6. Remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.
7. Remedy the total reported \$3,680 in unsupported phone and internet costs.

We recommend that OJP:

8. Require PSGAO to develop and implement written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.
9. Work with PSGAO to develop and implement written policies and procedures that ensure PSGAO compliance with the VOCA Fix requirements.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit is to review how Blackstone Valley Advocacy Center (BVAC) used the Victims of Crime Act (VOCA) funds received through a subawards from the Rhode Island Public Safety Grant Administration Office (PSGAO) to assist crime victims and assess whether it accounted for VOCA funds in compliance with select 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 four subawards to BVAC. These subawards, totaling \$180,066, were funded by PSGAO from primary VOCA grants 2020-V2-GX-0062 and 15POVC-21-GG-00596-ASSI awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of September 2022, PSGAO had reimbursed BVAC \$180,066 in subaward funds.

Our audit concentrated on, but was not limited to, the period of December 2020 through September 2022. The Department of Justice (DOJ) Grants Financial Guide; the VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; PSGAO guidance; and the OVC and PSGAO award documents contain 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 BVAC's activities related to the audited subawards. Our work included conducting interviews with BVAC financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures including grant expenditures including payroll and fringe benefits and direct cost charges. 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.

During our audit, we obtained information from DOJ's JustGrants system, as well as PSGAO and BVAC's accounting systems 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 BVAC to provide assurance on its internal control structure as a whole. BVAC 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 BVAC's internal control structure as a whole, we offer this statement solely for the information and use of BVAC, PSGAO and OJP.⁴

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 BVAC's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over award 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 objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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

APPENDIX 2: Schedule of Dollar-Related Findings

Description	OJP Prime Numbers	PSGAO Subaward Identifier	Amount	Page
Questioned Costs:				
Rent of BVAC-Owned Rental Units	2020-V2-GX-0062	20-20103-VOCA	\$28,500	6
Rent, Utilities, and Depreciation for Idle Units	2020-V2-GX-0062	20-20103-VOCA	8,654	7
	15POVC-21-GG-00596-ASSI	21-2103-VOCA	11,935	7
Unapproved Program Income	2020-V2-GX-0062	20-20103-VOCA	13,406	7
	15POVC-21-GG-00596-ASSI	21-2103-VOCA	<u>5,800</u>	7
Unallowable Costs			\$68,295	
Facilities Maintenance Provider	15POVC-21-GG-00596-ASSI	21-2103-VOCA	\$15,066	7
Utilities	2020-V2-GX-0062	20-20104-VOCA	<u>3,680</u>	8
Unsupported Costs			\$18,746	
<i>Gross Questioned Costs</i> ⁵			<i>\$87,041</i>	
Less Duplicate Questioned Costs ⁶			<u>(4,800)</u>	
Net Questioned Costs			\$82,241	
TOTAL DOLLAR-RELATED FINDINGS			<u>\$82,241</u>	

⁵ **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.

⁶ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$4,800 in program income which was unallowable because both rent for BVAC-owned rental units and idle units costs are unallowable.

APPENDIX 3: Blackstone Valley Advocacy Center Response to the Draft Audit Report



Mr. Thomas O. Puerzer, Regional Audit Manager

US Department of Justice

Office of the Inspector General

Philadelphia Regional Audit Office

701 Market Street, Suite 2300

Philadelphia, PA 19106

Mr. Puerzer;

Thank you for the opportunity to respond to the recommendations. The Blackstone Valley Advocacy Center has taken steps to improve service delivery and will continue to work with the Office of Justice Programs and the Public Safety Grants Administration Office to ensure that our programs meet the standards of VOCA funding.

BVAC Response to the recommendations:

1. Ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that sub recipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.

Response: BVAC concurs. (1) BVAC discontinued transitional housing charges to clients upon receiving notification from the auditing firm that service costs were not allowed and immediately informed the PSGAO. All VOCA-funded services are provided at no charge to clients. (2) BVAC's written program policies and procedures for transitional housing services

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have been updated to contain specific guidance for VOCA-funded programming.

- 2. Ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other sub award expenditures.**

Response: BVAC concurs. BVAC administrative staff have requested technical assistance from the OVC VOCA Center to strengthen fiscal policies. BVAC staff have worked diligently to ensure personnel, fringe benefits, and other expenditures are recorded in compliance with the DOJ Grants Financial Guide and federal award requirements, including the reporting of program income. As previously mentioned, the VOCA-funded transitional program has not collected income since receiving notification that it was unallowable. BVAC will periodically review timesheet allocations for accuracy.

- 3. Remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.**

Response: BVAC concurs. BVAC has discontinued use of agency-owned units for the VOCA transitional housing program. BVAC will work with the PSGAO and OJP to remedy the costs.

- 4. Remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.**

Response: BVAC concurs. BVAC discontinued the use of agency-owned units for transitional housing. The housing market in Rhode Island is challenging, with little supply and high demand. Off-site transitional units are secured by a lease agreement between the property owner and

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BVAC, and then subleased between BVAC and clients. The lease agreements stipulated monthly rental payments regardless of occupancy. The program would not have units available for families without a sustained lease agreement. BVAC will seek approval to maintain idle units from PSGAO, if necessary.

5. Remedy \$19,206 in award costs associated with the unapproved program income.

Response: BVAC concurs. BVAC has not collected program income since becoming aware that it is unallowable. BVAC will work with PSGAO and OJP to remedy these costs.

6. Remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.

Response: BVAC concurs. BVAC has hired the former 1099 facilities manager and maintains accurate timesheets that specifically allocate the staff member's time. This position provides general repairs and coordinates larger maintenance issues with contractors. BVAC will work with PSGAO and OJP to remedy these costs.

7. Remedy the total reported \$3,680 in unsupported phone and internet costs.

Response: BVAC concurs. BVAC utilities, including internet and phone costs are now allocated across supporting funding sources by program and staff members in each program utilizing the services. BVAC will work with the PSGAO and OJP to remedy these costs.

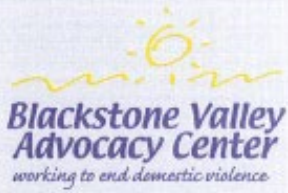
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Thank you, again, for the opportunity to respond to the recommendations.
Please reach out with any questions.

Sincerely,

Toni Marie Roderick, MBA
Executive Director
Blackstone Valley Advocacy Center

August 21, 2023

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APPENDIX 4: Rhode Island Public Safety Grant Administration Office Response to the Draft Audit Report



RHODE ISLAND DEPARTMENT OF PUBLIC SAFETY **Public Safety Grant Administration Office**

311 Danielson Pike, North Scituate, RI 02857
Telephone: (401) 764-5991 — Fax: (401) 764-5834

Colonel Darnell S. Weaver
Director, Rhode Island Department of Public Safety
Superintendent, Rhode Island State Police

Michael J. Hogan
Executive Director
Public Safety Grant Administration Office

August 31, 2023

Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
U.S. Department of Justice

RE: Draft Audit Report, Refugee Dream Center

The Office of Inspector General, Department of Justice recently released a draft audit report for the Blackstone Valley Advocacy Center (BVAC), which included nine recommendations. The Rhode Island Public Safety Grant Administration Office (PSGAO), the State Administering Agency for DOJ grants, concurs in most of those recommendations and responds below.

Importantly, the audit states, "Overall, we concluded BVAC adhered to the goals of its subawards and provided LEA and transitional housing services to victims of crime. However, we believe BVAC would benefit from enhanced written programmatic policies and procedures." The PSGAO agrees with this statement and concurs that BVAC adhered to its goals of providing services to victims of crime.

1. Ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.

2. Ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.

The PSGAO concurs with findings 1 and 2. Initial contact with the OVC VOCA Center has already occurred, and the PSGAO will work with both BVAC and the OVC VOCA Center to ensure that BVAC's policies and procedures comply with DOJ guidelines.

3. Remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.

The PSGAO concurs that BVAC charging rent to itself is an unallowable cost. Although BVAC financially structured this grant incorrectly, there is no dispute that BVAC provided transitional housing services to victims of crime. According to 28 C.F.R. 94.119(k), transitional housing is an expressly allowable expense, stating, "Subject to any restrictions on amount, length of time, and eligible crimes, set by the SAA, transitional housing for victims (generally, those who have a particular need for such housing, and who cannot safely return to their previous housing, due to the circumstances of their victimization), including, but not limited to, travel, rental assistance, security deposits, utilities, and other costs incidental to the relocation to such housing, as well as voluntary support services such as childcare and counseling..."

During this time, BVAC should have charged costs directly associated with maintaining and operating agency owned transitional housing units, including things like utility bills, property taxes, or repair costs. PSGAO believes that BVAC can provide documentation for direct expenditures during this time period. If supporting documentation for direct expenditures during this time period does not equal the total in unallowable costs, BVAC will have to return the balance. PSGAO will work with BVAC and OVC to ensure that any direct charges are allowable.

4. Remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.

PSGAO denies that BVAC's units were idle under the definition in 2 CFR 200.446 Idle Facilities and Idle Capacity. Specially, 2 CFR 200.446 (b) defines idle facilities as "...completely unused facilities that are excess to the non-Federal entity's current needs." Additional guidance is contained in the DOJ Grants Financial Guide; "The cost of space procured for project usage is not charged to the program for periods of non-occupancy without authorization of the grant making component."

Thus, for a unit to be idle, it must be both "completely unused" and in "excess" of BVAC's needs. As a result, BVAC would need to seek permission from the PSGAO only if these two conditions are met.

PSGAO denies that the units were "completely unused." BVAC ran a transitional housing program, whereby a survivor was provided with housing for up to 24 months along with case management and safety planning in order to get the survivor into permanent housing. Units housing survivors of domestic violence and sexual assault are often lived in hard. PSGAO supports several such programs and regularly encounters issues that require units to be unoccupied between one survivor moving out and another moving in.

Sometimes survivors have significant mental health issues caused by trauma and become hoarders. In order to prepare the unit for the next survivor, significant cleaning must occur and may require junk removal services, professional cleaners, mold removal services, or other repairs. Even if the survivor may not have been a hoarder, the providing agency must ensure that the unit is clean, appropriately furnished, and has working appliances/utilities. The Code of Federal Regulations uses the term "completely unused." PSGAO believes that just because a unit may not have a survivor living in it, does not make it "idle."

A period of vacancy between survivors is normal and expected in a transitional housing program. Additionally, survivors often bring children with them in the transitional units. Housing children requires extra attention and resources, including highchairs, cribs, radiator covers, or other items. Many transitional units in Rhode Island are also located in old buildings and the State has a significant problem with lead paint which may require additional remediation or issues.

In addition to making sure the unit is physically ready to house the next survivor, BVAC must have a client ready to move in. Clients may refuse or wish to delay moving from their current location to the transitional unit for a variety of valid reasons. Perhaps the transitional unit is located far from public transportation and the survivor needs reasonable access in order to get to or from their employment. Perhaps the survivor believes that the unit is located too close to their abuser or their abuser's family/friends. This may cause additional delays requiring the unit to be unoccupied but not "completely unused."

Furthermore, PSGAO denies that even if any units could be categorized as "completely unused" that the units were not in "excess" of BVAC's needs. Rhode Island has been in the midst of a housing crisis for years that has only been exacerbated by the Covid-19 pandemic. Simply put, there are more people who need housing than there are houses available, specifically affordable housing. PSGAO has not encountered an agency that provides housing that does not have a wait list. Emergency shelter are often at or over capacity. The State had to convert vacant buildings in the winter to ensure homeless individuals had a warm place to be at night.

As a result, the units were not idle under 2 CFR 200.446 and BVAC was not required to request any permission to charge expenses to them.

5. Remedy \$19,206 in award costs associated with the unapproved program income.

PSGAO concurs that program income was not properly accounted for or expended on program related activities. According to the Uniform Guidance, program income should be used to defray program costs and program income that a recipient did not anticipate at the time of a federal award must be used to reduce the federal award and non-federal contributions rather than to increase the funds committed to the project. BVAC should also have requested a waiver from PSGAO in regard to program income.

Additionally, under the 28 C.F.R. § 94.117 (b), "In determining whether to grant a waiver under this section, the SAA should consider whether charging victims for services is consistent with the project's victim assistance objectives and whether the sub-recipient is capable of effectively tracking program income in accordance with financial accounting requirements." BVAC faces a high burden in order to show that charging victims rent on transitional housing is consistent with providing a transitional housing program.

In order to remedy this, BVAC would have to request an after to fact waiver and provide documentation on the collection of the program income. If BVAC was collecting program income on transitional housing units at the same time as it was either charging rent or other direct costs, PSGAO is unlikely to approve any program income waiver.

6. Remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.

PSGAO concurs that BVAC should not have charged facilities maintenance costs to the whole organization to the transitional housing award. However, it is undisputed that some of these costs were provided to the transitional housing units and a portion of these costs are allowable. BVAC could have sought reimbursement for a pro-rated portion of this bill for the transitional units, potentially showing the total square footage of areas maintained and charging the percentage of square footage of the transitional units or other valuation method. BVAC will have to show documentation that the facilities maintenance costs included the transitional units.

PSGAO also notes that the approved budget award for this subgrant does not contain any personnel costs. As a result of federal allocation reductions, nearly all PSGAO subgrants were reduced by 50%. Blackstone continued to run all programs despite these reductions. PSGAO believes that BVAC had other expenses that could have been charged to the grant but were not. A potential remedy is for BVAC to request an after the fact budget amendment to charge other allowable expenses. PSGAO will work with BVAC and OJP to ensure that all modifications meet DOJ guidelines.

BVAC will be required to return any funds that cannot be reasonably pro-rated to the transitional units or other allowable costs.

7. Remedy the total reported \$3,680 in unsupported phone and internet costs.

PSGAO concurs that these costs are unsupported and should not have been charged to the 2020 LEA award.

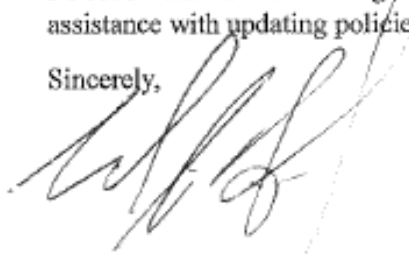
PSGAO notes that this award, 20-20104-VOCA, was for \$55,583 and that their 2019 award for the same program was for \$111,166.00, a 50% reduction caused by the declining federal allocation. PSGAO believes that BVAC could have charged other items to the grant rather than the phone and internet costs to the whole program. If they did, they would have to request a retroactive budget amendment and provide adequate documentation. Otherwise BVAC will be required to return the funds. PSGAO will work with OVC to remedy these costs.

8. Require PSGAO to develop and implement written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.

9. Work with PSGAO to develop and implement written policies and procedures that ensure PSGAO compliance with the VOCA Fix requirements.

PSGAO concurs with findings 8 and 9 and will seek assistance from the OVC VOCA Center for assistance with updating policies and procedures regarding these issues.

Sincerely,



Michael J. Hogan
Executive Director
Public Safety Grant Administration Office
Rhode Island Department of Public Safety
Office phone: (401)764-5794

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



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

September 6, 2023

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

FROM: Jeffery A. Haley *Jeffery A. Haley*
Deputy Director, Audit and Review Division

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Rhode Island Public Safety Grant Administration Office to the Blackstone Valley Advocacy Center, Pawtucket, Rhode Island*

This memorandum is in reference to your correspondence, dated July 24, 2023, transmitting the above-referenced draft audit report for the Blackstone Valley Advocacy Center (BVAC). BVAC received subaward funds from the Rhode Island Public Safety Grant Administration Office (PSGAO), under the Office of Justice Programs' (OJP), Office for Victims of Crime (OVC), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Numbers 2020-V2-GX-0062 and 15POVC-21-GG-00596-ASSI. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains nine recommendations and \$82,241¹ in net questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

- We recommend that OJP and PSGAO ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that it will work with both BVAC and the OVC VOCA Center to ensure that BVAC's policies and procedures comply with the Department of Justice (DOJ) guidelines.

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

Accordingly, we will coordinate with the PSGAO to obtain a copy of BVAC's revised written policies and procedures, developed and implemented, to ensure that BVAC's transitional housing victim assistance program complies with Federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved. We will also coordinate with the PSGAO to obtain evidence that BVAC distributed the policies and procedures to staff responsible for managing Federal grant funds.

- 2. We recommend that OJP and PSGAO ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that it will work with both BVAC and the OVC VOCA Center to ensure that BVAC's financial policies and procedures comply with the DOJ guidelines.

Accordingly, we will coordinate with the PSGAO to obtain a copy of BVAC's revised written policies and procedures, developed and implemented, to ensure compliance with the DOJ Grants Financial Guide and Federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures. We will also coordinate with the PSGAO to obtain evidence that BVAC distributed the policies and procedures to staff responsible for managing Federal grant funds.

- 3. We recommend that OJP and PSGAO remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that BVAC charging rent to itself is an unallowable cost; and that, although BVAC financially structured the subaward incorrectly, there is no dispute that BVAC provided transitional housing services to victims of crime. In addition, the PSGAO stated that, according to 28 C.F.R. 94.119 (k), BVAC should have charged costs to the grant, which were directly related to maintaining and operating agency owned transitional housing units, such as utility bills, property taxes, and repair costs. Further, the PSGAO stated that it believes that BVAC can provide documentation for direct expenditures which were incurred during the subaward period, and that BVAC will be required to return funds for any portion of the \$28,500 in unallowable costs that are not offset with documentation for direct expenditures.

We agree that BVAC should have charged only those costs, utilities, property taxes, repairs, and maintenance, etc., that are directly related to maintaining and operating agency owned property. Accordingly, we will review the \$28,500 in unallowable questioned costs, related to BVAC-owned rental unit expenditures charged to the subawards under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate.

- 4. We recommend that OJP and PSGAO remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that BVAC's transitional housing units were not idle, because, according to 2 C.F.R. 200.446 (b), for a unit to be idle, it must be both "completely unused" and in "excess" of BVAC's needs. Also, the PSGAO denied that BVAC's units were "completely unused" during periods of vacancy for extensive cleaning and repairs, which were required between the time that one survivor moved out and another survivor moved in to the units. In addition, the PSGAO stated that many survivors bring children with them, which requires extra attention and resources in the units, including highchairs, cribs, radiator covers, and other items. Further, the PSGAO stated that many transitional housing units in Rhode Island are in old buildings, and the State has a significant problem with lead paint, which could require additional remediation or issues. The PSGAO also stated that, in addition to making sure that the unit is physically ready to house the next survivor, BVAC must have another client ready to move in, which could cause additional delays requiring the unit to be unoccupied, but not "completely unused." Furthermore, the PSGAO stated that, even if any of the units could be categorized as "completely unused," the units were not in "excess" of BVAC's needs, because Rhode Island has been in the midst of a housing crisis for years, and it has only been exacerbated by the COVID-19 pandemic.

Accordingly, we will review the \$20,589 in unallowable questioned costs, related to rent, utilities, and depreciation expenditures charged to the subawards under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate.

- 5. We recommend that OJP and PSGAO remedy \$19,206 in award costs associated with the unapproved program income.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that the program income that BVAC received through the subaward was not properly accounted for or expended on program-related activities, and that BVAC should have requested a waiver from PSGAO with regard to program income. Also, the PSGAO stated that it will require BVAC to request an after-the-fact waiver, and provide documentation on the collection of the program income. In addition, the PSGAO stated that, if BVAC was collecting program income on transitional housing units at the same time that it was either charging rent or other direct costs, PSGAO is unlikely to approve any program income waiver.

Accordingly, we will review the \$19,206 in questioned costs, related to unapproved program income that was received through the subawards under Grant Numbers 2020-V2-GX-0062 and 15POVC-21-GG-00596-ASSI, and will work with PSGAO to remedy, as appropriate.

- 6. We recommend that OJP and PSGAO remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that BVAC should not have charged facilities maintenance costs for the whole organization to the transitional housing subawards; but that some of these costs were attributable to the transitional housing units, and are, therefore, allowable. Also, the PSGAO stated that BVAC could have sought reimbursement for a pro-rated portion of the costs for the transitional housing units, and that it will require BVAC to provide documentation to support the facilities maintenance costs included for the transitional housing units. In addition, the PSGAO stated it believes that BVAC had other expenses that could have been charged to the subawards, but were not, and that a potential remedy is for BVAC to request an after-the-fact budget amendment to charge other allowable expenses to the subawards. Further, the PSGAO stated that it will work with BVAC and OJP to ensure that all modifications meet DOJ guidelines; and that BVAC will be required to return any funds that cannot be reasonably pro-rated to the transitional housing units, or other allowable costs.

Accordingly, we will review the \$15,066, in questioned costs, related to the unsupported facilities maintenance provider expenditures, that were charged to the subawards under Grant Number 15POVC-21-GG-00596-ASSI, and will work with PSGAO to remedy, as appropriate.

- 7. We recommend that OJP and PSGAO remedy the total reported \$3,680 in unsupported phone and internet costs.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that the \$3,680 in phone and internet costs were unsupported, and should not have been charged to Subaward Number 20-20104-VOCA. Also, the PSGAO stated it believes that BVAC could have charged other costs to the subaward, rather than the phone and internet costs, and that BVAC will be required to request a retroactive budget amendment and provide adequate documentation. In addition, the PSGAO stated that it will work with OVC to remedy these costs; and that BVAC will be required to return funds for any unsupported costs that cannot be offset by other allowable expenditures.

Accordingly, we will review the \$3,680 in questioned costs, related to the unsupported phone and internet expenditures that were charged to the subaward under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate.

8. **We recommend that OJP require PSGAO to develop and implement written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that it will seek assistance from the OVC VOCA Center to update its policies and procedures.

Accordingly, we will coordinate with the PSGAO to obtain a copy of its written policies and procedures, developed and implemented, to ensure that PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.

9. **We recommend that OJP work with PSGAO to develop and implement written policies and procedures that ensure PSGAO compliance with the VOCA Fix requirements.**

OJP agrees with the recommendation. In its response, dated August 31, 2023, the PSGAO stated that it will seek assistance from the OVC VOCA Center to update its policies and procedures.

Accordingly, we will coordinate with the PSGAO to obtain a copy of its written policies and procedures, developed and implemented, to ensure PSGAO compliance with the VOCA Fix requirements.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda J. Taylor, Lead Auditor, Audit Coordination Branch, on (202) 514-7270.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

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

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

Kristina Rose
Director
Office for Victims of Crime

Katherine Darke Schmitt
Principal Deputy Director
Office for Victims of Crime

cc: James Simonson
Associate Director for Operations
Office for Victims of Crime

Kathrina S. Peterson
Deputy Director
Office for Victims of Crime

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

Jennifer Yoo
Grants Management Specialist
State Victim Resource Division
Office for Victims of Crime

Charlotte Grzebien
Deputy General Counsel

Jennifer Plozai
Director
Office of Communications

Rachel Johnson
Chief Financial Officer

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

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

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Louise Duhamel
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

cc: OJP Executive Secretariat
Control Number OCOM000450

APPENDIX 6: 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), Rhode Island Public Safety Grant Administration Office (PSGAO) and Blackstone Valley Advocacy Center (BVAC). OJP's response is incorporated in Appendix 5, PSGAO's response is incorporated in Appendix 4, and BVAC's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. BVAC concurred with all seven recommendations involving BVAC and PSGAO concurred with eight recommendations and did not state whether it agreed or disagreed with one recommendation.⁷ The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP and PSGAO:

- 1. Ensure that (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with PSGAO to obtain a copy of BVAC's revised written policies and procedures, developed and implemented, to ensure that BVAC's transitional housing victim assistance program complies with Federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise approved. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated PSGAO will work with both BVAC and the Office for Victims of Crime (OVC) VOCA Center to ensure that BVAC policies and procedures comply with DOJ guidelines.

BVAC concurred with our recommendation and stated in its response that BVAC discontinued transitional housing charges to clients upon receiving notification from the auditing firm that service costs were not allowed and immediately informed the PSGAO. BVAC stated all VOCA-funded services are provided at no charge to clients and BVAC's written program policies and procedures for transitional housing services have been updated to contain specific guidance for VOCA-funded programming.

This recommendation can be closed when we receive documentation demonstrating that: (1) BVAC's transitional housing victim assistance program complies with federal award requirements, including that subrecipients shall provide VOCA-funded direct services at no charge unless otherwise

⁷ BVAC did not comment on our last two recommendations because they were directed solely to OJP.

approved, and (2) BVAC, if necessary, develops and implements updated written program policies and procedures related to the delivery of transitional housing services.

2. Ensure BVAC develops and implements updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the PSGAO to obtain a copy of BVAC's revised written policies and procedures, developed and implemented, to ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated PSGAO will work with both BVAC and the OVC VOCA Center to ensure that BVAC policies and procedures comply with DOJ guidelines.

BVAC concurred with our recommendation and stated in its response that BVAC administrative staff have requested technical assistance from the OVC VOCA Center to strengthen fiscal policies. BVAC staff have worked diligently to ensure personnel, fringe benefits, and other expenditures are recorded in compliance with the DOJ Grants Financial Guide and federal award requirements, including the reporting of program income. As previously mentioned, the VOCA-funded transitional program has not collected income since receiving notification that it was unallowable. BVAC will periodically review timesheet allocations for accuracy.

This recommendation can be closed when we receive documentation demonstrating that BVAC developed and implemented updated written financial policies and procedures that ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including personnel and fringe benefit costs, program income, and other subaward expenditures.

3. Remedy the total reported \$28,500 in unallowable costs for BVAC-owned rental units.

Resolved. OJP agreed with our recommendation. OJP stated in its response that BVAC should have charged only those costs, utilities, property taxes, repairs, and maintenance, etc., that are directly related to maintaining and operating agency-owned property. OJP stated it will review the \$28,500 in unallowable questioned costs, related to BVAC-owned rental unit expenditures charged to the subawards under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate. As a result, this recommendation is resolved.

PSGAO concurred that BVAC charging rent to itself is an unallowable cost and BVAC should have charged costs directly associated with maintaining and operating agency-owned transitional housing units. PSGAO will work with BVAC and OVC to ensure that any direct charges are allowable.

BVAC concurred with our recommendation and stated in its response that BVAC has discontinued use of agency-owned units for the VOCA transitional housing program. BVAC will work with the PSGAO and OJP to remedy the costs.

This recommendation can be closed when we receive documentation demonstrating how BVAC addressed the \$28,500 in unallowable costs for BVAC-owned rental units charged to the subaward and that PSGAO and OJP have appropriately remedied these costs.

4. Remedy the total reported \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will review the \$20,589 in unallowable questioned costs related to rent, utilities, and depreciation expenditures charged to the subawards under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate. As a result, this recommendation is resolved.

PSGAO did not state whether it agreed or disagreed with this recommendation and stated it denied that BVAC's units were idle under the definition in 2 C.F.R. § 200.446 Idle Facilities and Idle Capacity. PSGAO provided examples of when units are not "completely unused," citing time between one survivor moving out and another moving in. However, this statement was not relevant to the BVAC questioned costs. BVAC charged costs (rent, depreciation, and utilities) for agency-owned units after survivors vacated the properties. According to BVAC officials and documentation we reviewed, after the survivors vacated the properties, construction began to convert the units for non-transitional housing purposes (totaling \$13,289). In addition, BVAC charged rent for non-agency owned units that were never occupied by survivors during the duration of our audit (\$7,300).

BVAC concurred with our recommendation and stated in its response that BVAC discontinued the use of agency-owned units for transitional housing. BVAC also stated the housing market in Rhode Island is challenging, with little supply and high demand. As a result, off-site transitional units are secured by a lease agreement between the property owner and BVAC, and then subleased between BVAC and clients. According to BVAC, the lease agreements stipulated monthly rental payments regardless of occupancy and the program would not have units available for families without a sustained lease agreement. BVAC stated that it will seek approval from PSGAO to maintain idle units, if necessary.

This recommendation can be closed when we receive documentation demonstrating how BVAC addressed the \$20,589 in unallowable costs for rent, utilities, and depreciation for idle units charged to the subawards and that PSGAO and OJP have appropriately remedied these costs.

5. Remedy \$19,206 in award costs associated with the unapproved program income.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will review the \$19,206 in questioned costs, related to unapproved program income that was received through the subawards under Grant Numbers 2020-V2-GX-0062 and 15POVC-21-GG-00596-ASSI, and will work with PSGAO to remedy, as appropriate. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation. PSGAO stated that the program income was not properly accounted for or expended on program-related activities and BVAC should also have requested a waiver from PSGAO in regard to program income. PSGAO also stated that it would be unlikely to approve any program income waiver.

BVAC concurred with our recommendation and stated in its response that BVAC has not collected program income since becoming aware that it is unallowable. BVAC will work with PSGAO and OJP to remedy these costs.

This recommendation can be closed when we receive documentation demonstrating how BVAC addressed the \$19,206 in award costs associated with the unapproved program income and that PSGAO and OJP have appropriately remedied these costs.

6. Remedy the total reported \$15,066 in unsupported costs for the facilities maintenance provider.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will review the \$15,066, in questioned costs, related to the unsupported facilities maintenance provider expenditures, that were charged to the subawards under Grant Number 15POVC-21-GG-00596-ASSI, and will work with PSGAO to remedy, as appropriate. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated in its response that BVAC may be able to seek reimbursement for a portion of the bill with that is adequately supported. PSGAO stated it will work with BVAC and OJP to ensure that all modifications meet DOJ guidelines.

BVAC concurred with our recommendation and stated in its response that BVAC has hired the former 1099 facilities manager—who provides general repairs and coordinates larger maintenance issues with contractors—and maintains accurate timesheets that specifically allocate the staff member's time. BVAC stated that it will work with PSGAO and OJP to remedy these costs.

This recommendation can be closed when we receive documentation demonstrating how BVAC addressed the \$15,066 in unsupported costs for the facilities maintenance provider charged to the subaward and that PSGAO and OJP have appropriately remedied these costs.

7. Remedy the total reported \$3,680 in unsupported phone and internet costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will review the \$3,680 in questioned costs, related to the unsupported phone and internet expenditures that were charged to the subaward under Grant Number 2020-V2-GX-0062, and will work with PSGAO to remedy, as appropriate. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated that the costs are unsupported. PSGAO also acknowledged recent reductions in subaward amounts and stated BVAC may have been able to charge other phone and internet costs to the subaward with adequate documentation. PSGAO

stated otherwise BVAC will be required to return the funds. PSGAO stated it will work with OVC to remedy these costs.

BVAC concurred with our recommendation and stated in its response that BVAC utilities, including internet and phone costs, are now allocated across supporting funding sources by program and staff members in each program utilizing the services. BVAC will work with the PSGAO and OJP to remedy these costs.

This recommendation can be closed when we receive documentation demonstrating how BVAC addressed the \$3,680 in unsupported phone and internet costs charged to the subaward and that PSGAO and OJP have appropriately remedied these costs.

Recommendations for OJP:

8. Require PSGAO to develop and implement written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with PSGAO to obtain a copy of its written policies and procedures, developed and implemented, to ensure that PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated in its response that it will seek assistance from the OVC VOCA Center for assistance with updating policies and procedures regarding these issues.

This recommendation can be closed when we receive documentation demonstrating that PSGAO developed and implemented written policies and procedures that ensure PSGAO issues management decisions and ensures corrective action on its subrecipient single audit report findings.

9. Work with PSGAO to develop and implement written policies and procedures that ensure PSGAO compliance with the VOCA Fix requirements.

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with PSGAO to obtain a copy of its written policies and procedures, developed and implemented, to ensure PSGAO compliance with the VOCA Fix requirements. As a result, this recommendation is resolved.

PSGAO concurred with our recommendation and stated in its response that it will seek assistance from the OVC VOCA Center for assistance with updating policies and procedures regarding these issues.

This recommendation can be closed when we receive documentation demonstrating that PSGAO developed and implemented written policies and procedures that ensure PSGAO compliance with the VOCA Fix requirements.