



Audit of the Office of Justice Programs Victim
Compensation Grants Awarded to the North
Dakota Department of Corrections and
Rehabilitation, Bismarck, North Dakota



AUDIT DIVISION

23-110

SEPTEMBER 2023

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of the report for privacy reasons. The redactions are contained only in Appendix 3, the auditee's response, and are of an individual's name.



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the North Dakota Department of Corrections and Rehabilitation, Bismarck, North Dakota

Objective

The objective of the audit was to evaluate how the North Dakota Department of Corrections and Rehabilitation (North Dakota DCR) 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 North Dakota DCR generally used its grant funds to compensate crime victims. We did not identify significant concerns regarding the North Dakota DCR's processes for drawdowns, financial reports, or performance reports. However, the North Dakota DCR should enhance its controls over victim compensation claim payments as well as its annual state certification form submissions. We also identified two transactions totaling \$5,048 in unsupported questioned costs.

Recommendations

Our report contains seven recommendations to the Office of Justice Programs (OJP) to assist the North Dakota DCR in improving its grant management and administration and to remedy questioned costs. We requested a response to our draft audit report from the North Dakota DCR and OJP officials, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four Victims of Crime Act (VOCA) victim compensation formula grants awarded by OJP, Office for Victims of Crime (OVC) to the North Dakota DCR in Bismarck, North Dakota. The OVC awarded these formula grants, totaling \$527,000 from fiscal years (FY) 2019 to 2022, from the Crime Victims Fund (CVF) to provide financial support through the payment to crime victims throughout North Dakota. As of December 27, 2022, the North Dakota DCR drew down a cumulative amount of \$463,000 for all of the grants we reviewed.

Grant Program Planning and Execution

We found that the North Dakota DCR distributed program funds to victims of crime as required. However, the North Dakota DCR could improve its outreach activities ensuring that victims are made aware of the potential financial assistance available through the program.

State Certification Form

Overall, we determined that the North Dakota DCR established an adequate program to compensate victims and survivors of criminal violence. However, we determined that the North Dakota DCR should enhance its controls to ensure accurate and complete annual State Certification Forms.

Grant Financial Management

We determined that the North Dakota DCR implemented adequate controls over drawdowns and Federal Financial Reports and generally implemented policies and procedures related to the payment of victim compensation claims. However, we identified two transactions, totaling \$5,048, that did not have adequate documentation to support the claim.

Table of Contents

Introduction	1
The Grantee	2
OIG Audit Approach	2
Audit Results	3
Grant Program Planning and Execution.....	3
Program Implementation.....	3
North Dakota DCR’s Plans for Ongoing Outreach.....	3
Denied Compensation Claims.....	4
Annual State Certification.....	4
Program Requirements and Performance Reporting	6
Annual Performance Reports	6
Grant Financial Management	7
Grant Expenditures	8
Victim Compensation Claim Expenditures.....	8
Drawdowns	9
Financial Reporting.....	10
Conclusion and Recommendations	11
APPENDIX 1: Objective, Scope, and Methodology	12
Objective.....	12
Scope and Methodology.....	12
Internal Controls.....	13
APPENDIX 2: Schedule of Dollar-Related Findings	14
APPENDIX 3: North Dakota Department of Corrections and Rehabilitation Response to Draft Report	15
APPENDIX 4: Office of Justice Programs Response to Draft Report	19
APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report	24

Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim compensation formula grants awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the North Dakota Department of Corrections and Rehabilitation (North Dakota DCR) in Bismarck, North Dakota. 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 2022, these OVC grants totaled \$527,000.

Table 1

Audited Grants

Fiscal Years 2019 – 2022

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2019-V1-GX-0063	09/13/2019	10/01/2018	09/30/2022	\$202,000
2020-V1-GX-0027	09/17/2020	10/01/2019	09/30/2023	\$99,000
15POVC-21-GG-00440-COMP	09/16/2021	10/01/2020	09/30/2024	\$162,000
15POVC-22-GG-00528-COMP	08/25/2022	10/01/2021	09/30/2025	\$64,000
Total:				\$527,000

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

Source: OJP Grants Management System and DOJ 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 the North Dakota state administering agency, the North Dakota DCR is responsible for administering the VOCA victim compensation program. According to its website, the North Dakota DCR's mission is transforming lives, influencing change, and strengthening community by helping victims who have been physically or emotionally injured in a violent crime in North Dakota (or where a compensation program is not available) and required medical care; residents injured by an act of terrorism, dependents of a homicide victim, and individuals who assume responsibility for funeral and/or medical expenses of a homicide victim.

OIG Audit Approach

The objective of the audit was to evaluate how the North Dakota DCR 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 North Dakota DCR's policies and procedures, North Dakota DCR's Administrative Codes, North Dakota DCR's Crime Victims Compensation Program Manual, and interviewed North Dakota DCR personnel to determine how they administered the VOCA funds. We further obtained and reviewed North Dakota DCR 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. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

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 North Dakota DCR's overall process for making victim compensation payments. We assessed the North Dakota DCR's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification forms.

Overall, we determined that the North Dakota DCR established an adequate program to compensate victims and survivors of criminal violence. However, we identified issues with its policies and procedures, efforts to bring awareness to the program, and accuracy of the certification reports.

Program Implementation

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

Based on our review, we found that the North Dakota DCR had established processes for accepting applications, determining eligibility, and accepting and reviewing bills. We found that the North Dakota DCR generally had an adequate accounting system, as required by the DOJ Grants Financial Guide. However, as discussed in more detail in the [Annual State Certification](#) and [Grant Financial Management](#) sections of this report, the North Dakota DCR should enhance its policies and procedures to include a secondary review of its victim compensation claims as well as its annual state certification form submissions. Additionally, we found that the North Dakota DCR should enhance its efforts to bring more awareness to its victim compensation program to help ensure that potential victims of crime are aware that access to needed financial assistance is available through the state victim compensation program.

North Dakota DCR's Plans for Ongoing Outreach

During our audit, we evaluated the North Dakota DCR's efforts to publicize its victim compensation program throughout the state. We spoke with North Dakota DCR officials, who told us that the North Dakota DCR has performed outreach activities with state and local law enforcement agencies as well as victim advocacy groups that provide assistance to the underserved community. However, the North Dakota DCR officials provided limited documentation to support its outreach activities throughout the life of the awards due in part to the sporadic nature of the outreach and changes in the North Dakota DCR staff administering its victim compensation program. North Dakota DCR officials indicated that over the next few months they plan to conduct trainings with local direct services youth programs and are in the beginning stages of

developing a victim compensation program brochure, which they plan on completing by the end of 2023. Based on our discussions with North Dakota DCR officials and the documentation North Dakota DCR officials provided, we found program outreach to be historically limited and the plans for outreach to also be limited. While no federal mandate details the degree to which states should conduct public outreach, we believe that outreach is an important aspect of the victim compensation program since it ensures that victims are made aware of the potential financial assistance available through the victim compensation program. Therefore, we recommend that OJP ensure that the North Dakota DCR establishes an ongoing plan to increase its outreach for its victim compensation program.

Denied Compensation Claims

North Dakota DCR officials provided us with a list of 204 denied claims from October 25, 2018, through January 4, 2023. We selected a sample of 20 denied claims, which represented approximately 10 percent of the North Dakota DCR's total denied claims, and found that the sampled claims were supported with an appropriate determination for the reason each claim was denied. However, for 13 of the 20 denied claims, we did not find any formal documentation explaining to victims why their claims were denied.

According to the North Dakota DCR Administrative Codes Chapter 94-03-04-01, after the division has received an application for crime victims benefits and has completed its initial investigation of the claim, the division shall issue a notice to the claimant that it has accepted the claim, denied the claim, reduced the claim, or is conducting further investigation. According to the North Dakota DCR's Administrative Codes, victims should be formally informed of the denial or reduction of claim and the underlying reason for the North Dakota DCR's decision, and they may request an appeal to the decision. In our judgment, this ensures the victim has the opportunity to appeal the North Dakota DCR's decision or to apply for compensation with a modified claim.

North Dakota DCR officials explained that they believed the previous Grants and Contracts Manager had been issuing formal letters to inform victims about denied claims. Officials also explained that starting in February 2023 the new Grants and Contracts Manager began issuing formal letters notifying victims if their claims had been denied. However, the North Dakota DCR officials did not provide documentation supporting this practice. Therefore, we recommend that OJP coordinate with the North Dakota DCR to enhance its policies and procedures to ensure that notifications to victims relating to denial or reduction of claims are maintained in the case files.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form (State Certification Form), which provides the OVC the necessary information to determine the grant award amount. The 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 two years prior.³ The accuracy of the information provided in the State

³ In July 2021, Congress enacted the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, Pub. L. No. 117-27, § 2(a),
Continued

Certification Form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We assessed the North Dakota DCR's controls for preparing the State Certification Forms submitted to the OVC for FYs 2019 through 2021, which is used to calculate the award amounts granted in FYs 2021 through 2023.⁴ We reviewed the State Certification Forms, including the financial support for the payouts and revenues. We compared the payment information in the North Dakota DCR's State Certification Forms with underlying accounting records to determine whether the reported information was supported. Further, we assessed the reliability of the North Dakota DCR's State Certification Forms by selecting a judgmental sample of 16 transactions from each State Certification Form.

Based on our review, we determined the North Dakota DCR did not correctly calculate the amounts reported on its FY 2019 State Certification Form. Specifically, we found that the North Dakota DCR did not include \$2,827 in refunds, which resulted in the total state payments and recovery costs to be overstated. We followed up with North Dakota DCR officials regarding the omission of these refunds who stated that they were unsure why the refunds were not included in the State Certification Form. In addition to the refunds, we also found that the North Dakota DCR included \$344 in payroll costs in the total funds paid for the certification forms, which is not allowed. According to the State Certification Form instructions, expenditures for costs other than compensation payments (e.g., administrative costs) are not to be included in this figure. We further determined that by not including these refunds and by including payroll costs, the North Dakota DCR was awarded \$2,000 more funding in FY 2021 than it should have received. According to VOCA Guidelines, in the event that an over-certification comes to the attention of OVC or the Office of the Comptroller, OJP, the necessary steps will be taken to recover funds that were awarded in error. Therefore, as a result of our testing of the North Dakota DCR's State Certification Forms, we recommend that OJP work with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments and take necessary steps to recover any awarded funds as appropriate.

We also believe improvements to the North Dakota DCR's policies and procedures for compiling its State Certification Forms could help ensure the accuracy of future State Certification Forms. Specifically, we found that the North Dakota DCR updated its internal policies and procedures to include the general instructions for completing the State Certification Form based on the July 2021 VOCA Fix Act. However, this update did not include the specific sources for the information, the processes to obtain the information required for the State Certification Form, nor expenses excluded from the compensation payments figure. Without specific policies and procedures, there is an increased risk that North Dakota DCR staff will not correctly and consistently collect the appropriate information for the correct period of performance, as required. Therefore, we recommend that OJP coordinate with the North Dakota DCR to enhance its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.

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 certification forms and FY 2021 grant awards.

⁴ OJP's Office of the Chief Financial Officer, Budget Execution Division, calculates the allocations for VOCA eligible crime victim compensation programs and OVC makes the grant awards.

We also found that only one the North Dakota DCR staff member was responsible for completing and submitting the State Certification Form. We believe that in order to reduce errors on its State Certification Form, the North Dakota DCR should add a secondary review before the State Certification Form is submitted. As a result, we recommend that OJP coordinate with the North Dakota DCR to enhance its controls, such as having a secondary review and approval process prior to the submission of the annual State Certification Form.

Program Requirements and Performance Reporting

To determine whether the North Dakota DCR distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed North Dakota DCR performance measures and performance documents that the North Dakota DCR used to track goals and objectives. Based on our overall assessment in the areas of program requirements and performance reporting, we determined that the North Dakota DCR implemented adequate procedures to compile and submit accurate annual performance reports.

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.⁵ The OVC 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 the victim compensation grants, the 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 the total compensation paid by service type.

We assessed whether the North Dakota DCR's annual performance report to the OVC fairly reflected the performance figures of the victim compensation program. A North Dakota DCR official explained that they used quarterly reports from their database to compile the annual reports. Therefore, we reconciled information reported to the OVC with the information maintained in the North Dakota DCR's database for two of the quarterly reports from FY 2019 through FY 2022. Our testing results are in Table 2 below.

⁵ In October 2020, JustGrants replaced OJP's former Grants Management System as the new grants management and payment management system.

Table 2

Comparison of Performance Reports to Supporting Documentation

Year	Quarterly Reports Selected	Total Performance Metrics Selected	Total Number of Significant Differences
2019	Q1 & Q3	49	16
2020	Q2 & Q4	47	4
2021	Q3 & Q4	51	0
2022	Q1 & Q4	53	1
Total:		200	21

Source: The North Dakota DCR's Database and OIG Analysis

From the eight reports, we found a total of 21 significant differences from the 200 performance metrics we reviewed.⁶ North Dakota DCR officials had explained that 16 of those 21 significant differences occurred in FY 2019 due to their confusion with the annual performance report. As shown in Table 2, from FY 2020 through FY 2022, we noted a decrease of significant differences through these years from four in FY 2020 to one in FY 2022. Therefore, we do not take exception to these differences because the North Dakota DCR's annual performance reports generally reconciled to the totals reported to the OVC in FY 2022.

Grant Financial Management

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

As discussed in the following sections of this report, we determined that the North Dakota DCR implemented adequate controls over drawdowns and Federal Financial Reports and generally implemented proper policies and procedures related to the payment of victim compensation claims. However, as stated

⁶ For the purpose of our analysis, we defined significant differences to be a difference that was greater than 10 percent of the amount reported.

previously, in our judgment, the North Dakota DCR should enhance its controls, such as with the implementation of a secondary review, with a focus on reducing the risk of misapplication of limited crime victim compensation funds and potentially preventing the erroneous victim compensation payments like those identified below.

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. We determined that the North Dakota DCR neither budgeted for administrative expenses nor charged administrative expenses to any of the audited grants. Therefore, 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 compensation claim payments by reviewing accounting records and verifying support for select transactions.

Victim Compensation Claim Expenditures

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

To evaluate the North Dakota DCR's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, timely, and in accordance with the policies of the VOCA Guidelines, North Dakota DCR policies and procedures, as well as North Dakota Administrative Codes. From the four grants in our audit, North Dakota DCR's accounting records included 778 expenses, totaling \$523,428. We judgmentally selected from all 4 grants a total of 120 expenses in the North Dakota DCR's general ledgers, covering 141 compensation claim payments, totaling \$353,006. The transactions we reviewed included costs in the following categories: medical, dental, funeral, mental health, hospital, loss of support, travel, and lost wages.

Our testing determined that the victim compensation claim payments were generally processed timely. However, we identified 3 exceptions within the 120 tested expenditures; these 3 paid victim compensation claims totaled \$10,048. As detailed in Table 3, this included the payment of one unallowable duplicate claim and two claims that did not have adequate supporting documentation.

Table 3

Summary of Exceptions Identified During Victim Claims Payment Analysis

Sample Number	Amount Paid	Reason for Exceptions	Type of Exception	Amount
43	\$5,000	Duplicate payment of claim.	Unallowable	\$5,000
48	\$1,408	Overpayment due to error in entering in payment information.	Unsupported	\$48
109	\$5,000	Prepayment for a dental procedure that had not yet been performed.	Unsupported	\$5,000
Total:				\$10,048

Source: North Dakota DCR Victim Claims Database and OIG Analysis

During our testing, we noted that there was no secondary review of victim compensation claims or other control to help ensure the accuracy of the initial review and transaction processing. We believe that such an improvement could prevent instances similar to these transactions from occurring in the future. After discussing these transactions with North Dakota DCR officials, we were provided documentation showing the North Dakota DCR returned \$5,000 to OJP for the unallowable duplicate payment identified in sample number 43. Therefore, we take no further exception with this claim. However, we recommend that OJP coordinate with North Dakota DCR to remedy \$5,048 in unsupported questioned costs for the remaining exceptions. We also recommend that OJP coordinate with the North Dakota DCR to enhance controls to help ensure the accuracy of claim reviews and proposed payments.

Drawdowns

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

For the VOCA victim compensation awards, on a quarterly basis, the North Dakota DCR used accumulated monthly accounting reports from its system and verified the accuracy of those reports with North Dakota DCR officials who worked on those specific grants. Table 4 shows the total amount drawn down for each grant as of December 27, 2022.

Table 4

Amount Drawn Down for Each Grant as of December 27, 2022

Award Number	Award Period End Date	Total Award	Total Drawdowns	Total Remaining Funds
2019-V1-GX-0063	09/30/2022	\$202,000	\$202,000	\$0
2020-V1-GX-0027	09/30/2023	\$99,000	\$99,000	\$0
15POVC-21-GG-00440-COMP	09/30/2024	\$162,000	\$162,000	\$0
15POVC-22-GG-00528-COMP	09/30/2025	\$64,000	\$0	\$64,000
Total:		\$527,000	\$463,000	\$64,000

Source: OJP Grants Management System, DOJ JustGrants, and North Dakota DCR Accounting Records

Overall, we determined that the North Dakota DCR generally implemented adequate controls over drawdowns, and we did not identify significant deficiencies related to the North Dakota DCR's process for developing its 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 North Dakota DCR submitted accurate Federal Financial Reports (FFR), we compared the most recent reports for Grant Numbers 2019-V1-GX-0063, 2020-V1-GX-0027, and 15POVC-21-GG-00440-COMP to the North Dakota DCR's accounting records.⁷ Overall, we determined that the North Dakota DCR implemented adequate controls over financial reporting and that quarterly and cumulative expenditures for each of the reports reviewed were generally accurate to the North Dakota DCR accounting records.

⁷ At the beginning of our fieldwork, we determined that the North Dakota DCR had not yet reached the due date of the first required FFR submission under Grant Number 15POVC-22-GG-00528-COMP. Therefore, we did not include this grant in our FFR analysis.

Conclusion and Recommendations

As a result of our audit, we concluded that the North Dakota DCR generally used its grant funds to compensate crime victims. This audit did not identify significant concerns regarding the North Dakota DCR's processes for drawdowns, financial reports, or performance reports. However, we identified issues with its policies and procedures, efforts to bring awareness to the program, and accuracy of the annual State Certification Form. We also identified two transactions totaling \$5,048 in unsupported costs.

We recommend that OJP:

1. Ensure that the North Dakota DCR establishes an ongoing plan to increase its outreach for its victim compensation program.
2. Coordinate with the North Dakota DCR to enhance its policies and procedures to ensure that notifications to victims relating to denial or reduction of claims are maintained in the case files.
3. Work with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments and take necessary steps to recover any awarded funds as appropriate.
4. Coordinate with the North Dakota DCR to enhance its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.
5. Coordinate with the North Dakota DCR to enhance its controls, such as having a secondary review and approval process prior to the submission of the annual State Certification Form.
6. Remedy \$5,048 in unsupported questioned costs.
7. Coordinate with the North Dakota DCR to enhance controls to help ensure the accuracy of claim reviews and proposed payments.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of the audit was to evaluate how the North Dakota Department of Corrections and Rehabilitation (North Dakota DCR) 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-0063, 2020-V1-GX-0027, 15POVC-21-GG-00440-COMP, and 15POVC-22-GG-00528-COMP from the Crime Victims Fund (CVF) awarded to the North Dakota DCR. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$527,000 to the North Dakota DCR, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2018 through July 2023. As of December 27, 2022, the North Dakota DCR had drawn down a total of \$463,000 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the North Dakota DCR's activities related to the audited grants, which included conducting interviews with state of North Dakota financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures, financial reports, and performance reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation; the VOCA compensation program guidelines; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; the DOJ Grants Financial Guide; state compensation criteria; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System, DOJ's JustGrants System, as well as the North Dakota DCR 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 North Dakota DCR to provide assurance on its internal control structure as a whole. The North Dakota DCR 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 North Dakota DCR's internal control structure as a whole, we offer this statement solely for the information and use of the North Dakota DCR and OJP.⁸

In planning and performing our audit, we identified internal control components and underlying internal control principles significant to the audit objective. Specifically, we reviewed the North Dakota DCR's written policies and procedures pertaining to aspects of grant performance and financial management. We also tested the implementation and operating effectiveness of specific controls over program implementation and compliance with laws and regulations for the awards 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.

⁸ 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	Grant No.	Amount	Page
Questioned Costs: ⁹			
Unsupported Victim Claims Payments	15POVC-22-GG-00528-COMP	\$5,000	8
Unsupported Victim Claims Payments	2020-V1-GX-0027	<u>\$48</u>	8
Unsupported Costs		\$5,048	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$5,048</u>	

⁹ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: North Dakota Department of Corrections and Rehabilitation Response to Draft Report



Michele Zander
Chief Financial Officer
North Dakota Department of Corrections and Rehabilitation

September 7, 2023

██████████
ASSISTANT REGIONAL AUDIT MANAGER | DENVER REGIONAL AUDIT OFFICE
U.S. DEPARTMENT OF JUSTICE | OFFICE OF THE INSPECTOR GENERAL
1120 LINCOLN STREET, SUITE 1500
DENVER, COLORADO 80203

Dear ██████████,

Subject: Response to Department of Justice, VOCA Victim Compensation Grant Audit

I am writing in response to the recent audit conducted by the Department of Justice regarding our Victim's Compensation Grant Programs. We appreciate the thorough review conducted by your team and acknowledge the areas identified for improvement. We are committed to addressing the exceptions raised and taking necessary steps to enhance the effectiveness and efficiency of our program.

1. Ensure that the North Dakota DCR establishes an ongoing plan to increase its outreach for its victim compensation program.

We recognize the importance of providing comprehensive outreach to ensure that victims are aware of and have access to our compensation program. To address this concern, we will develop an outreach strategy that includes targeted communication campaigns, collaboration with community organizations, and leveraging digital platforms to raise awareness about our program. By doing so, we aim to reach a wider audience and ensure that victims are informed about the support available to them. The following steps are in progress or in the development stages:

- **Collaboration with the DOCR's Social Media/Public Relations Specialist:** We will work closely with our social media/public relations specialist to leverage various social media platforms and disseminate information about our victims of crime grants to the public. These platforms will serve as effective channels to reach a wide audience and raise awareness about the compensation support available to victims.
- **Outreach to State Law Enforcement Agencies:** Recognizing the crucial role played by law enforcement agencies in victim support and crime prevention, we will initiate outreach efforts to establish stronger partnerships. By collaborating with these agencies, we aim to enhance the dissemination of information about the Victim Compensation Program and ensure that victims are informed about the available opportunities for compensation.



3100 Railroad Avenue | Bismarck, ND 58501 | 701.328.6390 | docr.nd.gov

- By implementing these measures, we are confident that we will significantly improve our public awareness efforts and effectively reach out to potential beneficiaries of the Victim Compensation Program. We are committed to ensuring that victims of crime in North Dakota have access to the support and compensation they deserve.

2. Coordinate with the North Dakota DCR to enhance its policies and procedures to ensure that notifications to victims relating to denial or reduction of claims are maintained in the case files.

We agree that maintaining notifications to victims regarding the denial or reduction of their claims in the case file is crucial for transparency and accountability. We will revise our policies and procedures to explicitly require the documentation and retention of such notifications in the case file. This will provide a clear record of all communications with victims and facilitate effective case management.

Recommendations have been reviewed and the following process revisions have been implemented:

- To rectify the lack of formal documentation, we will leverage the capabilities of our Comprehensive Statewide Victim Compensation System (CVC) software. We acknowledge the importance of clear communication with victims and ensuring transparency in the claim denial process.
- Moving forward, denial letters for compensation claims will be generated and stored within our Crime Victim Compensation software (CVC). This will enable us to capture all communication and maintain a centralized repository for denial letters, ensuring consistency and easy access to documentation.
- In addition to housing denial letters within CVC, we will implement a two-step review process before final determination is communicated to the applicant. This process will involve the active participation of our Grants and Contract Manager and Grants Administrator, who will act as gatekeepers to ensure the thoroughness and fairness of the review.
- By implementing these measures, we aim to enhance our transparency and accountability in the compensation claim denial process. Victims will receive clear and documented explanations for the denial of their claims, empowering them with the knowledge to understand the decision made and providing an avenue for further inquiries or appeals.
- We are committed to improving our procedures and ensuring that victims are treated with the utmost respect and fairness throughout the claims process. The implementation of these measures will not only address the audit exception but also contribute to a stronger and more efficient victim compensation program.

3. Work with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments and take necessary steps to recover any awarded funds as appropriate.

We appreciate the identification of the unsupported costs and are committed to rectifying this issue promptly. We will conduct a thorough review of our financial records and work closely with our finance team to determine the nature of these costs and provide the necessary documentation to support their legitimacy. We will ensure that all costs claimed under the grant program are adequately supported and comply with the relevant regulations and guidelines.

- To address the issue raised, we have implemented a stop gap in our process by introducing a secondary review of victim compensation claims. As part of this measure, we have implemented a procedure where a sample of the previous day's claims is selected for review, before forwarding them to accounts payable for payment. This secondary review serves as an additional control to verify the

accuracy and completeness of the initial review and transaction processing. This will be conducted by the Grants and Contract Manager and the Grants Administrator.

- We are pleased to inform you that this stop gap has already been put into action and has significantly contributed to enhancing the accuracy of our claims processing. By introducing this secondary review, we have created an additional layer of scrutiny to identify and rectify any potential errors or inconsistencies that may have been overlooked during the initial review.

4. Coordinate with the North Dakota DCR to enhance its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.

We understand the importance of complete and accurate state certification forms in ensuring the integrity of the compensation process. To address this issue, we will enhance our policies and procedures to provide detailed guidance to staff on the requirements for completing and submitting state certification forms. Additionally, we will implement a robust quality assurance process to review the accuracy and completeness of these forms before submission.

5. Coordinate with the North Dakota DCR to enhance its controls, such as having a secondary review and approval process prior to the submission of the annual State Certification Form.

We acknowledge the importance of accurate claim reviews and proposed payments to maintain the integrity of our compensation program. In response, we will strengthen our internal controls and implement additional quality assurance measures to ensure the accuracy of claim reviews and proposed payments. This will involve regular training for staff involved in the review process, implementing standardized review procedures, and conducting periodic audits to evaluate the effectiveness of these controls.

Upon the next review and submission of the State Certification Form, the following will take place.

- To ensure accurate reporting and compliance with state certification requirements moving forward, we have implemented measures within our organization. The Grants and Contract Manager, along with the Grants Administrator, will serve as gatekeepers of the process, overseeing the documentation and reporting of grant fund utilization. Their responsibilities include verifying the accuracy and completeness of the certification before submission.
- In addition to the gatekeeping role, we have included a final review step in the process, which will involve the Chief Financial Officer (CFO). The CFO will conduct a comprehensive review of the certification and associated financial documentation to ensure its accuracy and alignment with the grant requirements. This final review will serve as an additional layer of quality control to minimize the risk of inaccuracies or omissions.
- Furthermore, we have recognized the need for enhanced training and guidance for our staff involved in grant administration and reporting. We are in the process of developing comprehensive training programs that will provide clear instructions on the state certification requirements, proper documentation procedures, and the importance of accuracy in reporting. This training will be mandatory for all relevant personnel to ensure a consistent understanding of the expectations and responsibilities related to grant fund utilization.

6. Remedy the \$5,048 in unsupported costs:

- A refund was processed for the \$48.00 overpayment for a victims claim. Payment was provided and a copy of the updated SF-425 was also provided.
- The remaining \$5,000 was an error where a prepayment occurred for dental expenses. This was to be a lengthy multi-step process for the victim. We have been following through the process with the victim and the final procedure will be commenced in Sept,2023. At that point we will have the EOB to justify the expense. This was an error and we do not generally prepay expenses for any claims.

7. Coordinate with the North Dakota DCR to enhance controls to help ensure the accuracy of claim reviews and proposed payments.

Upon identifying the issue raised in the audit exception, we immediately initiated training sessions to ensure that all staff involved in the claims processing procedure are well-informed and equipped with the necessary knowledge and skills. The training program focuses on reinforcing the importance of accuracy, attention to detail, and adherence to established protocols. By investing in training, we aim to mitigate the risk of similar issues arising in the future and ensure continued compliance with best practices. We are committed to continuously improving our processes and controls to safeguard the accuracy and integrity of victim compensation claims. The implementation of the secondary review process, coupled with ongoing training, demonstrates our dedication to addressing the concerns raised in the audit exception and maintaining a high standard of accuracy and accountability.

We appreciate the Department of Justice's ongoing support and guidance in improving our Victim's Compensation Grant Programs. We are fully committed to implementing the necessary changes to address the exceptions identified in the audit. Our team will adopt these process updates quickly to establish ownership and accountability throughout the entire application and reimbursement process.

Should you have any further questions or require additional information, please do not hesitate to contact me directly at 701-328-6656. We value your feedback and look forward to working collaboratively to enhance our program.

Thank you for your attention to this matter.

Sincerely,

Michele Zander Digitally signed by Michele Zander
Date: 2023.09.07 05:41:26 -05'00'

Michele Zander
Chief Financial Officer
North Dakota Department of Corrections and Rehabilitations
mzander@nd.gov
701.328.6656

APPENDIX 4: Office of Justice Programs Response to Draft Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

September 13, 2023

MEMORANDUM TO: Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Jeffery 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 Compensation Grants Awarded to the North Dakota Department of Corrections and Rehabilitation, Bismarck, North Dakota*

This memorandum is in response to your correspondence, dated August 23, 2023, transmitting the subject draft audit report for the North Dakota Department of Corrections and Rehabilitation (North Dakota DCR). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **seven** recommendations and **\$5,048** in questioned costs. The following is OJP's analysis of the draft audit report recommendation. 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 North Dakota DCR establishes an ongoing plan to increase its outreach for its victim compensation program.

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it will develop an outreach strategy that includes targeted communication campaigns, collaboration with community organizations, and leveraging digital platforms to ensure that victims are aware of, and have access to, its victim compensation program.

Accordingly, we will coordinate with the North Dakota DCR to obtain a copy of its written outreach strategy, developed and implemented, to increase awareness of its victim compensation program.

2. **We recommend that OJP coordinate with the North Dakota DCR to enhance its policies and procedures to ensure that notifications to victims relating to denial or reduction of claims are maintained in the case files.**

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it will revise its policies and procedures to explicitly require that documentation is maintained in their case files, to support notifications to victims regarding the denial or reduction of their claims.

Accordingly, we will coordinate with the North Dakota DCR to obtain a copy of its written policies and procedures, developed and implemented, to ensure that notifications to victims regarding the denials or reductions of their claims are maintained in case files.

3. **We recommend that OJP work with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments and take necessary steps to recover any awarded funds as appropriate.**

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it will conduct a thorough review of its financial records, to determine if costs claimed under the victim compensation program were adequately supported and in compliance with the relevant regulations and guidelines. In addition, the North Dakota DCR stated that it has implemented a secondary review of victim compensation claims, before they are forwarded to accounts payable for payment. However, the North Dakota DCR did not state that it will review its fiscal year (FY) 2019 crime victim certification form to determine if errors were reported in the activities and payments; and as a result, funds were awarded in error.

Accordingly, we will coordinate with the North Dakota DCR to ensure that their Crime Victim Certification Form for FY 2019 accurately reflects activity and payments, and will work with North Dakota DCR to remedy any excess funds awarded, as appropriate.

4. **We recommend that OJP coordinate with the North Dakota DCR to enhance its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.**

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it will enhance its policies and procedures, and provide detailed guidance to staff, on the requirements for completing and submitting the annual State Certification Forms.

Accordingly, we will coordinate with the North Dakota DCR to obtain a copy of policies and procedures, developed and implemented, to ensure that its State Certification Forms are complete and accurate prior to submission.

5. We recommend that OJP coordinate with the North Dakota DCR to enhance its controls, such as having a secondary review and approval process prior to the submission of the annual State Certification Form.

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it will strengthen its internal controls and implement additional measures to ensure the accuracy of its claims review process, including conducting periodic audits to evaluate the effectiveness of those controls.

Accordingly, we will coordinate with the North Dakota DCR to obtain a copy of policies and procedures, developed and implemented, to ensure that the preparation of its annual State Certification Forms includes a secondary review and approval process.

6. We recommend that OJP remedy \$5,048 in unsupported questioned costs.

OJP agrees with the recommendation. In its response, dated September 7, 2023, the North Dakota DCR stated that it had processed a refund for the overpayment of \$48, and that the remaining \$5,000 was related to a prepayment for dental expenses, which occurred in error.

Accordingly, we will review the \$5,048 in questioned costs, related to unsupported victim claims payments charged to Grant Numbers 2020-V1-GX-0027 (\$48) and 15POVC-22-GG-00528-COMP (\$5,000), and will work with the North Dakota DCR to remedy, as appropriate.

7. We recommend that OJP coordinate with the North Dakota DCR to enhance controls to help ensure the accuracy of claim reviews and proposed payments.

OJP agrees with the recommendation. In its response, dated September 7, 2023, North Dakota DCR stated that it immediately initiated training sessions to ensure that all staff involved in claims processing are well-informed and equipped with the necessary knowledge and skills to accurately review and process claims payments.

Accordingly, we will coordinate with North Dakota DCR to obtain a copy of its written policies and procedures, developed and implemented, to ensure that victim claims are accurately reviewed and approved, prior to submission for payment.

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, of my staff on (202) 514-7270.

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

cc: 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

Kathrina S. Peterson
Deputy Director
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

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

Malgorzata Bereziewicz
Grants Management Specialist
Office for Victims of Crime

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

cc: 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

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

OJP Executive Secretariat
Control Number OCOM000517

APPENDIX 5: 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 North Dakota Department of Corrections and Rehabilitation (North Dakota DCR). The North Dakota DCR's response is incorporated in Appendix 3, and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. The North Dakota DCR did not state whether it agreed or disagreed with the seven recommendations but included actions taken or planned to address each recommendation. 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 North Dakota DCR establishes an ongoing plan to increase its outreach for its victim compensation program.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to obtain a copy of its written outreach strategy, developed and implemented, to increase awareness of its victim compensation program. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation and stated in its response that it recognized the importance of providing comprehensive outreach to ensure that victims are aware of and have access to the compensation program. The North Dakota DCR also stated in its response that to address this concern, it will develop an outreach strategy that includes targeted communication campaigns, collaboration with community organizations, and leveraging digital platforms to raise awareness of the program, and by doing so, it aims to reach a wider audience and ensure that victims are informed about the support available to them.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR has established an ongoing plan to increase its outreach for its victim compensation program.

- 2. Coordinate with the North Dakota DCR to enhance its policies and procedures to ensure that notifications to victims relating to denial or reduction of claims are maintained in the case files.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to obtain a copy of its written policies and procedures, developed and implemented, to ensure that notifications to victims regarding the denials or reductions of their claims are maintained in case files. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation and stated in its response that maintaining notifications to victims regarding the denial or reduction of their claims in the case file is crucial for transparency and accountability. The North Dakota DCR also stated that it will revise its policies and procedures to explicitly require the documentation and retention of such notifications in the case file.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR has enhanced its policies and procedures to ensure that notifications to victims relating to the denial or reduction of claims are maintained in the North Dakota DCR's case files.

3. Work with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments and take necessary steps to recover any awarded funds as appropriate.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to ensure that the crime victim certification form for FY 2019 accurately reflects activity and payments and will work with the North Dakota DCR to remedy any excess funds awarded, as appropriate. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation and stated in its response that it will conduct a thorough review of the North Dakota DCR's financial records and work closely with its finance team to determine the nature of these costs and provide necessary documentation to support their legitimacy. The North Dakota DCR also stated that it will ensure that all costs claimed under the grant program are adequately supported and comply with the relevant regulations and guidelines.

This recommendation can be closed when we receive documentation demonstrating that OJP worked with the North Dakota DCR to determine if its FY 2019 crime victim certification form accurately reflected activity and payments, as well as demonstrating that OJP took the necessary steps to recover any awarded funds as appropriate.

4. Coordinate with the North Dakota DCR to enhance its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to obtain a copy of policies and procedures, developed and implemented, to ensure that its State Certification Forms are complete and accurate prior to submission. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation and stated in its response that it understands the importance of complete and accurate State Certification Forms in ensuring the integrity of the compensation process. The North Dakota DCR also stated that to address this issue, it will enhance its policies and procedures to provide detailed guidance to staff on the requirements for completing and submitting state certification forms, and it

will implement a robust quality assurance process to review the accuracy and completeness of these forms before submission.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR has enhanced its policies and procedures to help ensure the submission of complete and accurate annual State Certification Forms.

5. Coordinate with the North Dakota DCR to enhance its controls, such as having a secondary review and approval process prior to the submission of the annual State Certification Form.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to obtain a copy of policies and procedures, developed and implemented, to ensure that the preparation of its annual State Certification Forms includes a secondary review and approval process. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation. In its response, the North Dakota DCR acknowledged the importance of accurate claims reviews and proposed payments to maintain the integrity of the compensation program. The North Dakota DCR also stated that it will strengthen controls and implement additional quality assurance measures to ensure the accuracy of claim reviews and proposed payments. This will involve regular training for staff involved in the review process, implementing standardized review procedures, and conducting periodic audits to evaluate the effectiveness of these controls.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR enhanced its controls such as a secondary review and approval process prior to the submission of the annual State Certification Form.

6. Remedy \$5,048 in unsupported questioned costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$5,048 in questioned costs, related to unsupported victim claims payments charged to Grant Numbers 2020-V1-GX-0027 for \$48 and 15POVC-22-GG-00529-COMP for \$5,000, and will work with the North Dakota DCR to remedy, as appropriate. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation. In its response, the North Dakota DCR stated that a refund was processed for a \$48 overpayment and the SF-425 was updated. However, the North Dakota DCR did not provide documentation related to this unsupported questioned cost with its response. The North Dakota DCR also stated that the remaining \$5,000 was an error where a prepayment occurred for dental expenses. The North Dakota DCR explained that it has been following through the process with the victim and the final procedure will be commenced in September 2023, and at that point the North Dakota DCR will have additional documentation to justify the expense. The North Dakota DCR stated that this was an error and that it does not generally prepay expenses for any claims.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR and OJP have appropriately remedied the \$5,048 in unsupported questioned costs.

7. Coordinate with the North Dakota DCR to enhance controls to help ensure the accuracy of claim reviews and proposed payments.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the North Dakota DCR to obtain a copy of its written policies and procedures, developed and implemented, to ensure that victim claims are accurately reviewed and approved prior to submission for payment. As a result, this recommendation is resolved.

The North Dakota DCR did not state whether it agreed or disagreed with our recommendation. In its response, the North Dakota DCR stated that upon the OIG identifying this issue it immediately initiated training sessions to ensure that all staff involved in the claims processing procedure are well-informed and equipped with the necessary knowledge and skills. The North Dakota DCR also stated that the training program focuses on reinforcing the importance of accuracy, attention to detail, and adherence to established protocols. The North Dakota DCR also explained that the implementation of the secondary review process, coupled with ongoing training, demonstrates the North Dakota DCR's dedication to address the concerns raised in the audit and maintain a high standard of accuracy and accountability.

This recommendation can be closed when we receive documentation demonstrating that the North Dakota DCR enhanced its controls to help ensure the accuracy of claim reviews and proposed payments.