



Audit of the Office of Justice Programs Victim
Assistance Grants Awarded to
the Oklahoma District Attorneys Council,
Oklahoma City, Oklahoma



AUDIT DIVISION

24-072

JUNE 2024

REDACTED FOR PUBLIC RELEASE

A redaction was made to the full version of this report for privacy reasons. The redaction is contained only in Appendix 2, the auditee's response, and is of a phone number.



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Oklahoma District Attorneys Council, Oklahoma City, Oklahoma

Objective

The objective of the audit was to evaluate how the Oklahoma District Attorneys Council (Oklahoma DAC) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Results in Brief

We found that the Oklahoma DAC used its 2021 and 2022 grants to distribute Victims of Crime Act (VOCA) funding to organizations that provided direct services to crime victims and implemented adequate processes for selecting subrecipients. However, we found that the Oklahoma DAC's subrecipient monitoring practices were inadequate. Specifically, we found that Oklahoma DAC's risk assessment process was not consistent or effective, and that the Oklahoma DAC did not perform on-site monitoring of subrecipients as required. Because the Oklahoma DAC relied on its monitoring procedures for review of subrecipient financial activity, VOCA funds were at risk. In addition, we found that the Oklahoma DAC does not take proper action to ensure subrecipients have required annual audits completed and did not ensure corrective action was taken on audit findings. Finally, we found that the Oklahoma DAC does not validate or test subrecipient-reported performance data for accuracy and lacks policies and procedures for submitting required Federal Financial Reports (FFRs).

Recommendations

Our report contains five recommendations for the Office of Justice Programs (OJP) to assist the Oklahoma DAC in improving its grant management and administration. We requested a response to our draft audit report from the

Oklahoma DAC and OJP. Those responses can be found in Appendices 2 and 3 respectively. Our analysis of those responses can be found in Appendix 4.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of two VOCA victim assistance formula grants awarded by OJP, Office for Victims of Crime (OVC) to the Oklahoma DAC in Oklahoma City, Oklahoma. The OVC awarded these formula grants, totaling approximately \$29.8 million, for fiscal years (FY) 2021 and 2022, from the Crime Victims Fund to enhance crime victim services throughout Oklahoma. As of May 2023, the Oklahoma DAC drew down a cumulative amount of \$14,848,909.

Program Planning and Execution

The Oklahoma DAC has recently enhanced its funding strategy, and we did not identify issues with Oklahoma DAC's subaward selection process, communication of subaward requirements, or distribution of subaward funds in accordance with priority funding area requirements.

Grant Financial Management and Reporting

The Oklahoma DAC established adequate controls over grant drawdowns. However, we found that the Oklahoma DAC does not have formal policies for submitting FFRs. Additionally, we determined that the Oklahoma DAC relies on subrecipient monitoring to ensure that grant expenditures are allowable and supported but did not complete most of its monitoring as required. As a result, VOCA funds were at risk.

Monitoring of Subrecipients

We identified deficiencies in Oklahoma DAC's risk assessment process and found that Oklahoma DAC did not perform on-site monitoring in accordance with its

own policies or VOCA requirements. We also found that the Oklahoma DAC did not have adequate procedures related to subrecipient single audit reports. Finally, we

found that the Oklahoma DAC does not validate or test subrecipient performance data for accuracy, which increases the risk that inaccurate data is provided to OJP.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two victim assistance formula grants awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the Oklahoma District Attorneys Council (Oklahoma DAC) in Oklahoma City, Oklahoma. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies (SAA). As shown in Table 1, from fiscal years (FY) 2021 to 2022, these OVC grants totaled over \$29 million.

Table 1

Audited Grants

Fiscal Years 2021 – 2022

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
15POVC-21-GG-00592-ASSI	9/16/2021	10/1/2020	9/30/2024	\$12,620,084
15POVC-22-GG-00792-ASSI	8/25/2022	10/1/2021	9/30/2025	\$17,225,254
Total:				\$29,845,338

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

Source: JustGrants

Established by the Victims of Crime Act of 1984 (VOCA), the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress (referred to as the cap).

The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the state's population. Beginning in FY 2015, Congress significantly raised the cap on CVF disbursements from prior years, which increased funding for victim assistance grants from \$456 million in FY 2014 to a high of \$3 billion in FY 2018. Since FY 2018, the cap along with deposits into the CVF have decreased, with the most recent cap set at \$1.9 billion for FY 2023. Over this period, the annual VOCA victim assistance grant funds available to the Oklahoma DAC were highest in FY 2018 at an amount of almost \$40 million and lowest in FY 2021 at an amount of \$12.6 million.

VOCA victim assistance grant funds support the provision of direct services—such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter—to victims of crime. The OVC distributes these assistance grants to states and territories, which in turn fund subawards to public and private non-profit organizations that directly provide the services to victims. Eligible services are efforts that: (1) respond to the emotional and physical needs of

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

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.

The Grantee

As the Oklahoma SAA, the Oklahoma DAC is responsible for administering the VOCA victim assistance program and is the SAA for several federal grants. The Oklahoma DAC provides funds to eligible crime victims services operating in public and non-profit organizations throughout Oklahoma. The Federal Grants Division of the Oklahoma DAC serves as a liaison between the federal government and the subrecipients in implementing federal grant funds and serves as the contact point with the federal granting agencies for the state of Oklahoma.

OIG Audit Approach

The objective of the audit was to evaluate how the Oklahoma DAC designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA victim assistance program guidelines and Final Rule (VOCA Guidelines); 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Oklahoma DAC policy and procedures and records reflecting grant financial activity, as well as interviewed Oklahoma DAC personnel to determine how they administered the VOCA funds.

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.

Audit Results

Grant Program Planning and Execution

The primary purpose of the VOCA victim assistance grants is to support crime victim services. The Oklahoma DAC, which is the principal recipient of victim assistance grants at the state level in Oklahoma, must distribute the majority of the funding to organizations that provide direct services to victims, such as crisis centers, child advocacy centers, district attorney offices, and other community-based victim coalitions and support organizations. As the SAA, the Oklahoma DAC has the discretion to select subrecipients from among eligible organizations and to determine the amount of funds each subrecipient receives. The VOCA Guidelines require, however, that SAAs give priority to victims of sexual assault, domestic abuse, and child abuse, as well as make funding available for previously underserved populations of violent crime victims.² SAAs are required to allocate at least 10 percent of available funding to victim populations in each of these four victim categories.

As part of our audit, we assessed the Oklahoma DAC's overall plan to allocate and award the victim assistance grant funding. We reviewed how the Oklahoma DAC planned to distribute its victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. We also assessed whether the Oklahoma DAC met the requirements for funding priority areas and subaward reporting. As discussed below, we found that the Oklahoma DAC met priority allocation percentages required by VOCA Guidelines and adequately communicated to its subrecipients applicable VOCA requirements. Additionally, we did not identify any issues with its process to select subrecipients.

Subaward Allocation Plan

According to VOCA Guidelines and SAA requirements, SAAs are encouraged to develop a funding strategy that considers the unmet needs and demographic profile of crime victims. The VOCA Final Rule suggests that as part of strategic planning, states may conduct surveys and needs assessments. Oklahoma DAC officials explained that—prior to 2023—they did not conduct needs assessments or surveys to determine which programs or services should be targeted with funding. Instead, the Oklahoma DAC asked its applicants to provide services to underserved populations. In 2023, the Oklahoma DAC hired a consultant to conduct a community needs assessment. According to Oklahoma DAC officials, this information will be used in an ongoing collaborative initiative to identify underserved populations and enhance victim services. It appears the process used by the Oklahoma DAC in 2023 addressed the requirement to identify victim service needs, as well as subaward strategies to utilize the VOCA funding.

² The VOCA Guidelines state these underserved victims may include, but are not limited to, victims of federal crimes; survivors of homicide victims; or victims of assault, robbery, gang violence, hate and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud, and elder abuse. The Guidelines also indicate that in defining underserved victim populations, states should also identify gaps in available services by victims' demographic characteristics.

Subaward Selection Process

To assess the process the Oklahoma DAC used to grant its subawards, we identified the steps that the Oklahoma DAC took to inform, evaluate, and select subrecipients for VOCA funding. The Oklahoma DAC subaward selection process is governed by the VOCA Board which: (1) hears and decides all matters related to subrecipient applicants; (2) authorizes and makes subawards to eligible subrecipients; and (3) gives funding priority to programs providing services to victims of sexual assault, domestic violence, child abuse, and underserved populations. The VOCA Board consists of nine members who serve 3-year terms.

According to the Oklahoma DAC VOCA Grant Solicitation Procedures, requests for proposals are emailed to current subrecipients and any other agencies that have requested to be placed on the mailing list. Submitted applications are first reviewed by the VOCA Board staff (comprised of Oklahoma DAC staff) to ensure that applications meet the necessary requirements. After reviewing each application, the VOCA Board staff may make recommendations to the VOCA Board. The VOCA Board renders a decision regarding the approval and funding of applications received at the open-session VOCA Board meeting. Subgrants are awarded for a length of 1 year.

Table 2 represents the number of organizations and projects funded under the FY 2021 and 2022 awards.

Table 2

Oklahoma DAC 2021 and 2022 Subawards

Award Number	Subrecipients Funded	Subawards Funded
15POVC-21-GG-00592-ASSI	100	117
15POVC-22-GG-00792-ASSI	117	125

Note: Some subrecipients received funding for more than one project.

Source: OIG analysis of the Oklahoma DAC's subrecipient list

Based on the steps described above, and our review of relevant documentation, we did not take issue with the Oklahoma DAC's subaward selection process.

Subaward Requirements

SAs must adequately communicate VOCA requirements to their subrecipients. We reviewed the Oklahoma DAC's subaward solicitations and award packages to determine how the grantee communicated its subaward requirements and conveyed to potential applicants the VOCA-specific requirements. We found that the Oklahoma DAC adequately communicated program requirements in award documents and throughout its grant award program periods.

Priority Areas Funding Requirement

The VOCA Guidelines require that the Oklahoma DAC award a minimum of 10 percent of the total grant funds to programs that serve victims in each of the four following categories: (1) child abuse, (2) domestic

abuse, (3) sexual assault, and (4) previously underserved. The VOCA Guidelines give each SAA the latitude for determining the method for identifying "previously underserved" crime victims.³

We examined how the Oklahoma DAC allocated VOCA subawards to gauge whether it was on track to meet the program's priority areas distribution requirements. We found that the Oklahoma DAC asks applicants if they provide services in the priority categories in the grant application. In the application review phase, a report is pulled from Oklahoma's grant management system to aggregate the data from all applications. The Oklahoma DAC then provides the VOCA Board a chart showing the 10 percent requirement is met in the awards process and maintains a history of priority category award data. For both VOCA grants we audited, we found that the Oklahoma DAC is positioned to comply with the minimum VOCA distribution requirement for each of the four priority victim categories.

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 Oklahoma DAC's financial management of the VOCA grants, we reviewed the process the Oklahoma DAC used to administer these funds by examining expenditures charged to the grants, drawdown requests, and financial reports. To further evaluate the Oklahoma DAC's financial management of the VOCA grants, we also reviewed the state of Oklahoma's single audit reports for FYs 2021 and 2022 and did not identify any findings related to the Oklahoma DAC. We also interviewed the Oklahoma DAC personnel who were responsible for financial aspects of the grants, reviewed the Oklahoma DAC's written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that the Oklahoma DAC generally implemented adequate policies and procedures over the financial management of drawdowns. However, we determined the Oklahoma DAC could enhance its policies and procedures related to Federal Financial Reports. Additionally, we identified issues with subrecipient monitoring, including subrecipient financial monitoring. Specifically, we determined that the frequency of Oklahoma DAC's subrecipient financial monitoring and review of subrecipient single audits were not adequate, which could have a material impact on the overall financial management of its VOCA grants.

Grant Expenditures

SAA victim assistance expenses fall into two overarching categories: (1) reimbursements to subrecipients – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award to pay for administering its crime victim assistance program and for training. The Oklahoma DAC did not elect to use their 5 percent allowance for administrative costs. Therefore, we did not complete testing of administrative expenditures.

To provide reimbursement to subrecipients, the Oklahoma DAC requires its subrecipients to submit monthly reimbursement requests; the Oklahoma DAC does not require the subrecipients' requests to

³ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

include supporting documentation (such as invoices, receipts, or time and effort reports) of the expenses claimed. Instead, the Oklahoma DAC reviews a sample of such supporting documentation when it performs its subrecipient monitoring procedures. However, as discussed in the Monitoring of Subrecipients section of this report, most subrecipients that required monitoring during the award period did not receive it, meaning VOCA funds were at risk. Our assessment of those procedures and our related recommendations are included in the Monitoring of Subrecipients section below.

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 Oklahoma DAC managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the Oklahoma DAC's accounting system and accompanying financial records.

For the VOCA victim assistance awards, the Oklahoma DAC requests drawdowns based on expenditures recorded in its accounting system. The funds are requested by the Oklahoma DAC and deposited through the State Treasurer. The Oklahoma DAC then accepts the deposit and reconciles it to its records. Additionally, grant staff monitor the transfer of funds and maintain supporting documentation. Table 3 shows the total amount drawn down for each grant as of May 1, 2023.

Table 3

Amount Drawn Down for Each Grant as of May 1, 2023

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
15POVC-21-GG-00592-ASSI	\$12,620,084	09/30/2024	\$10,057,468	\$2,562,616
15POVC-22-GG-00792-ASSI	\$17,225,254	09/30/2025	\$4,791,441	\$12,433,813
Total:	\$29,845,338		\$14,848,909	\$14,996,429

Source: JustGrants

During this audit, we reviewed Oklahoma DAC's policies and procedures and reviewed documentation supporting drawdowns submitted by Oklahoma DAC as of May 1, 2023. We did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures, program income, and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the Oklahoma DAC submitted accurate Federal Financial Reports (FFR), we compared the two most recent reports to the Oklahoma DAC's accounting records for each of the two grants in our scope.

We determined that the first two FFRs tested did not match the Oklahoma DAC's accounting records for the FYs 2021 and 2022 grants. However, during the course of our audit, Oklahoma DAC submitted FFRs for subsequent periods, which we determined to be accurate. We also determined that the Oklahoma DAC does not have formal policies or procedures for submitting FFRs despite a previous finding and recommendation made by OJP.⁴ Therefore, we recommend that OJP ensure that the Oklahoma DAC develops and implements policies and procedures to ensure accurate FFRs are submitted and based on the accounting records.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. Match contributions must come from non-federal sources and can be either cash or an in-kind match.⁵ The SAA has primary responsibility for ensuring subrecipient compliance with the match requirements.

On September 20, 2021, OVC issued an Updated Match Waiver Approval Process bulletin. It stated, "Beginning on the date a national emergency is declared under the National Emergencies Act (50 U.S.C. § 1601 et seq.) with respect to a pandemic and ending on the date that is one year after the date of the end of such national emergency, SAAs shall issue waivers for any matching requirement, in its entirety, for all eligible crime victim assistance programs contracted to provide services at that time."⁶ In response to this bulletin, the Oklahoma DAC provided VOCA Waiver Forms to all of its subrecipients at the beginning of the 2021 and 2022 VOCA grant cycles. As a result, we did not test match during our audit.

Monitoring of Subrecipients

According to the DOJ Grants Financial Guide, the purpose of subrecipient monitoring is to ensure that subrecipients: (1) use grant funds for authorized purposes; (2) comply with the federal program and grant requirements, laws, and regulations; and (3) achieve subaward performance goals. As the primary grant recipient, the Oklahoma DAC must develop policies and procedures to monitor subrecipients. To assess the adequacy of the Oklahoma DAC's monitoring of its VOCA subrecipients, we interviewed the Oklahoma DAC personnel, identified the Oklahoma DAC monitoring procedures, and obtained records of interactions between the Oklahoma DAC and its subrecipients. The VOCA Guidelines state that SAAs shall conduct regular desk monitoring of all subrecipients. In addition, it states that SAAs shall conduct on-site monitoring of all subrecipients at least once every 2 years, unless a different frequency based on risk assessment is set out in the monitoring plan.⁷

⁴ OJP conducted a site visit at the Oklahoma DAC in July 2022. OJP found that FFRs and the accounting records did not reconcile and that matching funds were not accurately reported on the FFR. OJP made two recommendations to the Oklahoma DAC.

⁵ In-kind match contributions may include donations of expendable equipment, office supplies, workshop or classroom materials, workspace, or the value of time contributed by those providing integral services to the funded project.

⁶ 34 U.S.C. § 20103(a)(8).

⁷ The Oklahoma DAC's subawards are for a period of 1 year, with most of the subrecipients receiving reoccurring awards.

According to the Oklahoma DAC, it conducts subrecipient monitoring to ensure that fiscal accountability and programmatic integrity are maintained. The Oklahoma DAC's policies describe how the Oklahoma DAC will monitor each subrecipient's compliance with federal and programmatic requirements through: (1) desk reviews, (2) virtual monitoring, and (3) on-site monitoring. The Oklahoma DAC conducts subrecipient risk assessments to determine the frequency of on-site monitoring, with all subrecipients receiving site visits at least every 2 years and high risk and medium risk subrecipients receiving one site visit during the 1-year subaward period, as stated below. However, we found that Oklahoma DAC's subrecipient monitoring practices were inadequate because it did not conduct the majority of the on-site monitoring it was required to for the FY 2021 or 2022 grant periods, as required by its policy, and did not have an adequate method in place to appropriately conduct subrecipient risk assessments. Because the Oklahoma DAC relied on its monitoring procedures for review of subrecipient financial activity, VOCA funds were at risk.

Subrecipient Risk Assessments and Monitoring Requirements

Oklahoma DAC's policy requires each Grant Programs Specialist to conduct a risk assessment of each subgrantee at the beginning of each grant cycle. According to the Oklahoma DAC, this process is in place to create a proactive system helping ensure administrative, programmatic, and fiscal success of all subgrantees during the monitoring process, and it should inform the Oklahoma DAC's monitoring plan for the year. Oklahoma DAC's policy outlines multiple criteria to assist staff as they create their risk ratings, such as subgrantee history of significant corrective actions, inaccurate or incomplete award documents, or changes in key project personnel. Based on the risk assessment of subrecipients, the Oklahoma DAC's Grant Monitoring Procedure Manual outlines the following on-site monitoring schedule:

- New subrecipient: Recipients with no history in successfully implementing a subaward are automatically rated as high risk and subject to a minimum of one site visit during the 1-year subaward period.
- High risk subrecipient: the Grant Programs Specialist will conduct a minimum of one site visit and additional desk monitoring, if necessary, for the 1-year subaward period.
- Moderate risk subrecipient: the Grant Programs Specialist will conduct a minimum of one site visit during the 1-year subaward period.
- Low risk subrecipient: the subrecipient may not be monitored at all for that subaward period. However, the Grant Programs Specialist will conduct a site visit if there was no site visit in the previous year. For all subrecipients in this category, the Grant Programs Specialist may conduct a site visit or a desk review if they deem it necessary.⁸

We reviewed the risk assessments conducted for the grants in our scope and found that risk assessments were not consistent between staff. For example, some grant monitors reviewed and tracked instances of late reporting as required by Oklahoma DAC policy, while others did not. We also found that Oklahoma DAC risk assessments stated that monitoring was "not required" for many high risk subrecipients, without

⁸ At the time our audit began, the Oklahoma DAC had conducted desk reviews of a total of 21 subrecipients during FYs 2022 and 2023.

additional explanation even though this was in contradiction to Oklahoma DAC's monitoring policy. Further, we noted that one subrecipient had no risk rating and others had different risk ratings for different awards in the same year without documented explanations. Overall, we noted a significant reduction in the number of subrecipients rated as high risk from 2021 to 2022. We shared our concerns with the Oklahoma DAC's Federal Grants Division Director (Director), who assumed the position the day our audit began in May 2023, and they stated that the staff who conducted those risk assessments were no longer with the Oklahoma DAC. The Director further informed us that they had conducted their own evaluation of the previously performed risk assessments and they agreed with the concerns we identified. In response, the Director provided a new, formal risk assessment form to be utilized by the grant monitors. They also reported, and we verified, that all staff had been trained on the new risk assessment process.

Monitoring Frequency

We also reviewed the frequency of monitoring conducted by the Oklahoma DAC. The Oklahoma DAC made subawards to a total of 100 unique subrecipients from the FY 2021 award, and 117 unique subrecipients from the FY 2022 award. Of those totals, 150 subrecipients were rated high or moderate risk, and therefore subject to the requirement of annual on-site monitoring, as shown below.

Table 4

Subrecipients Requiring Annual On-site Monitoring on FY 2021 and 2022 Subawards

Fiscal Year	Number of High Risk Subrecipients	Number of Moderate Risk Subrecipients	Total Number of Subrecipients Requiring On-site Monitoring
2021	33	62	95
2022	2	53	55

Source: OIG Analysis of Oklahoma DAC Data

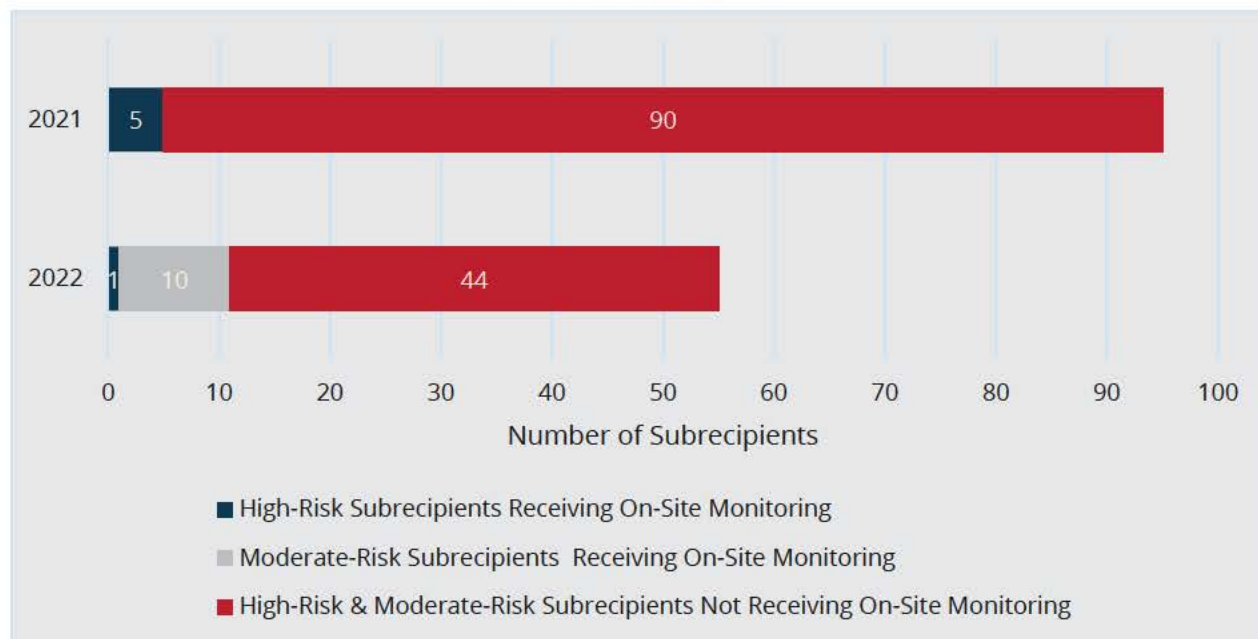
Note: As noted above, we also identified one subrecipient with no risk designation, and some subrecipients that were listed in the monitoring plan more than once, with different risk ratings.

Over the course of our audit, Oklahoma DAC provided three files detailing the monitoring it had accomplished for the grants in our review period. Because the lists contained contradictory information regarding prior monitoring, we asked the Oklahoma DAC to provide all final monitoring reports for monitoring events that occurred during our audit review period. Based on our review of the final reports, we determined that Oklahoma DAC had completed timely monitoring for only 16 high and moderate risk subrecipients, as shown below.⁹

⁹ The Oklahoma DAC continues to assess the subrecipient monitoring that has been completed. Therefore, the numbers reflected here, may not include the full scope of subrecipient monitoring.

Figure 1

**On-site Monitoring of High and Moderate Risk
Subrecipients of 2021 and 2022 Subawards
October 2021 through September 2023**



Source: OIG Analysis of Oklahoma DAC records

Note: As discussed in the following sections, Oklahoma DAC revised its approach to monitoring in September 2023, which allowed for additional monitoring of the 2021 and 2022 grants to be completed until December 2023. We also noted that although not required to be monitored during the 1-year award period, the Oklahoma DAC did not conduct on-site monitoring of any low risk subrecipients on 2021 awards and conducted 6 site visits of low risk subrecipients on 2022 awards.

Overall, over 85 percent of the subrecipients identified by the Oklahoma DAC as high or moderate risk in 2021 and 2022 did not receive on-site monitoring as required by the subrecipient monitoring plan outlined the Oklahoma DAC's Grant Monitoring Procedure Manual.

We asked the Director why so few subawards had received on-site monitoring. They stated that they were in the process of reviewing Oklahoma DAC's monitoring and agreed that Oklahoma DAC was behind schedule. On September 20, 2023, the Director reported that they had hired an additional grant monitor and conducted comprehensive training for all VOCA monitors. The Oklahoma DAC also developed an interim monitoring strategy and created a new monitoring plan, which included allowing until the end of December 2023 to monitor the remaining 2021 and 2022 grants. We found that the Oklahoma DAC significantly increased its on-site monitoring over the course of our audit and after the interim monitoring plan was put into place, with a total of 14 high risk and 6 moderate risk subrecipients having received on-site monitoring between October 1, 2023, and January 25, 2024.

While we acknowledge that Oklahoma DAC moved quickly to identify and remedy on-site monitoring concerns raised during the audit, the interim strategy is not permanent and lacks detail to ensure it is compliant with both established Oklahoma DAC policy and VOCA requirements. Therefore, we recommend that OJP coordinate with the Oklahoma DAC to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA Guidelines and Oklahoma DAC policy. Further, some required monitoring was scheduled after our field work ended. Therefore, we recommend that OJP require the Oklahoma DAC to develop a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.

Financial Monitoring

To further assess the adequacy of the Oklahoma DAC's financial monitoring of its subrecipients, we reviewed the Oklahoma DAC's policies and procedures and tested a sample of subaward expenditures. We also reviewed subrecipient single audit reports. As previously discussed, the Oklahoma DAC's frequency of subrecipient monitoring was not compliant with Oklahoma DAC policies or VOCA requirements. However, we reviewed records related to three subrecipient financial monitoring events that were performed after Oklahoma DAC's interim monitoring strategy was established and found that the Oklahoma DAC does not have a mechanism to review single audits or take appropriate action on any related single audit findings.

Subaward Expenditures

As of May 2023, we found that the Oklahoma DAC paid a total of \$14,848,909 to its subrecipients with the FY 2021 and 2022 VOCA victim assistance awards. Subrecipients request payment from the Oklahoma DAC by submitting a monthly request for funding. The requests include summarized expense totals for each budget category, including personnel, benefits, consultant and contractor, travel, equipment, facilities and rental, supplies and operating, other, and indirect costs; the monthly funding requests also summarize any subrecipient volunteer hours. The Oklahoma DAC Grants Financial Manager reviews the monthly request for funding against the budget balances and uploads the data to the Oklahoma DAC's accounting software.

In addition, Oklahoma DAC's on-site monitoring procedures include a review of all subaward financial supporting documents for one quarter selected for review. According to the Oklahoma DAC's Grant Monitoring Procedure Manual, for on-site monitoring, the Grant Programs Specialist will utilize the Monitoring Report form in conducting the on-site visit. This form includes reviewing the following financial costs: employees and volunteers, travel, equipment, professional and contractual services, facilities and rental, supplies and operating, and indirect costs.

To evaluate the Oklahoma DAC's financial controls over VOCA victim assistance grant expenditures, we selected a sample of three subrecipients that received on-site monitoring by the Oklahoma DAC after Oklahoma DAC's interim monitoring strategy was established. For the subrecipients we selected, we found that the awards included personnel and benefits costs as well as indirect costs. We judgmentally selected two pay periods for two subrecipients and 1 month of payroll for one subrecipient to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines; in total we reviewed payroll costs amounting to \$19,707. We did not note any significant deficiencies with those transactions we reviewed.

Single Audit Requirements

Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a single audit performed annually covering all federal funds expended that year.

According to the Uniform Guidance, primary recipients are required to ensure subrecipients have single audits completed when required. Furthermore, according to the Uniform Guidance, the agency or pass-through entity responsible for oversight is required to issue a management decision on audit findings within 6 months after receipt of the single audit report by the Federal Audit Clearinghouse and ensure that the subrecipient takes appropriate and timely corrective action. However, we found that the Oklahoma DAC relies on its subrecipients to self-report single audit report findings that affect VOCA funding. We reviewed the Federal Audit Clearinghouse and identified four single audit reports of Oklahoma DAC subrecipients that were not self-reported to the Oklahoma DAC.

Further, the Oklahoma DAC does not have a mechanism to take appropriate action on subrecipient single audit findings. For those subrecipients that do self-report a single audit, Oklahoma DAC officials stated that single audit findings and related corrective actions are only reviewed during on-site monitoring, and the Oklahoma DAC does not issue a management decision on subrecipient audit findings.

Without appropriate monitoring and handling of subrecipient single audit reports, VOCA funding may be at risk and Oklahoma DAC may not be complying with the Uniform Guidance requirements. We recommend that OJP require the Oklahoma DAC to develop and implement written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.

Performance Monitoring

As stated previously, the Oklahoma DAC's Grant Monitoring Procedure Manual states that for on-site monitoring, the Grant Programs Specialist will utilize the Monitoring Report form in conducting the on-site visit. As it relates to performance monitoring, this form includes reviewing special conditions; project implementation and impact; and goals, objectives, and activities. Additionally, as stated previously, the Oklahoma DAC's Grant Monitoring Procedure Manual states that a desk review is conducted in order to: (1) ensure the award to the subrecipient was appropriately executed, (2) determine if the subrecipient is in compliance with the fiscal and programmatic reporting requirements, (3) determine if the special conditions were met and properly cleared, and (4) assess the progress of the program and identify any problems encountered. However, as detailed below, the Oklahoma DAC does not verify its subrecipients' performance statistics reported through OJP's Performance Measurement Tool (PMT) and therefore, we performed no testing in this area.

Annual Performance Reports

For the victim assistance grants, states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, states must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. Each SAA must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The OVC requires states to submit performance data quarterly through PMT. States may provide subrecipients with direct access to the system to report quarterly data, but states must approve the data.

The Oklahoma DAC submitted annual performance reports to the OVC for FYs 2021 and 2022. We discussed with Oklahoma DAC officials how they compiled performance report data from their subrecipients and what steps they take to review and verify that annual subrecipient performance data is reliable. The Oklahoma DAC requires subrecipients to submit their completed PMT report by the 30th day of the month following the end of each quarter. Although the Oklahoma DAC's policies and procedures state that the Oklahoma DAC Director is responsible for reviewing the PMT reports for accuracy and then compiling and submitting them into the PMT online system, no data is validated or tested for accuracy by the Oklahoma DAC Division Director. Further, the Oklahoma DAC informed us that since January 2023 subrecipient PMT data has not been verified during on-site monitoring or desk reviews.¹⁰ As such, the Oklahoma DAC did not maintain supporting documentation, and we were unable to test the accuracy of the quarterly PMT statistics or the accuracy of the annual performance reports. Oklahoma DAC officials agreed reviewing the accuracy of performance statistics should be a part of their monitoring going forward. Therefore, we recommend that OJP ensure the Oklahoma DAC enhances its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.

Subaward Reporting

States must submit a Subgrant Award Report (SAR) to the OVC via OJP's PMT for each subrecipient of the VOCA victim assistance funds within 90 days of awarding funds to subrecipients. Any changes or revisions to the awards that occur before the end of the project period must be made in the SAR within 30 days of the change taking effect. The SAR allows the OVC to collect basic information from states on subrecipients and the program activities to be implemented with VOCA funds. We compared SAR reports to documentation provided by the Oklahoma DAC and did not identify any significant discrepancies.

¹⁰ At the time our audit began, the Oklahoma DAC had conducted desk reviews of a total of 21 subrecipients during FYs 2022 and 2023.

Conclusion and Recommendations

Our audit concluded that the Oklahoma DAC used its 2021 and 2022 grants to distribute VOCA funding to organizations that provided direct services to crime victims within Oklahoma. We found that the Oklahoma DAC implemented adequate processes for selecting subrecipients and adequately communicated the grant award requirements to subrecipients. However, we found that the Oklahoma DAC lacks policies and procedures for submitting FFRs. Further we found that the Oklahoma DAC's subrecipient monitoring practices were inadequate. Specifically, we found that although the Oklahoma DAC conducted a formal risk assessment, we identified deficiencies in the risk assessments performed and found that the Oklahoma DAC did not perform on-site monitoring of subrecipients in accordance with the monitoring schedule outlined in the Oklahoma DAC's Grant Monitoring Procedure Manual. As a result, significant numbers of subrecipients did not receive required monitoring, and because the Oklahoma DAC relied on its monitoring procedures for review of subrecipient financial activity, VOCA funds were at risk. In addition, we found that the Oklahoma DAC does not take proper action to ensure subrecipients have single audits completed and, as appropriate, issue management decisions and ensure corrective action is taken on related subrecipient single audit report findings. Finally, we found that the Oklahoma DAC does not validate or test subrecipient-reported performance data for accuracy. In total, we provide five recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure that the Oklahoma DAC develops and implements policies and procedures to ensure accurate FFRs are submitted and based on the accounting records.
2. Coordinate with the Oklahoma DAC to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA Guidelines and Oklahoma DAC policy.
3. Require the Oklahoma DAC to develop a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.
4. Require the Oklahoma DAC to develop and implement written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.
5. Ensure the Oklahoma DAC enhances its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of the audit was to evaluate how Oklahoma District Attorneys Council (Oklahoma DAC) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Scope and Methodology

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

This was an audit of Victims of Crime Act (VOCA) victim assistance formula grants 15POVC-21-GG-00592-ASSI and 15POVC-22-GG-00792-ASSI from the Crime Victims Fund awarded to the Oklahoma DAC. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling \$29,845,338 to the Oklahoma DAC, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2020 through February 2024. As of May 2023, the Oklahoma DAC had drawn down a total of \$14,848,909 from the two audited grants.

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

During our audit, we obtained information from DOJ's JustGrants System and OJP's Performance Measurement Tool, as well as the Oklahoma DAC 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 Oklahoma DAC to provide assurance on its internal control structure as a whole. The Oklahoma DAC 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 Oklahoma DAC's internal control structure as a whole, we offer this statement solely for the information and use of the Oklahoma DAC and OJP.¹¹

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we reviewed the design and implementation of the Oklahoma DAC's written grant policies and procedures and process controls pertaining to aspects of grant planning, performance reporting, and financial management. We also tested the implementation and operating effectiveness of specific controls over grant execution and compliance with laws and regulations in our audit scope.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

¹¹ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: The Oklahoma District Attorneys Council's Response to the Draft Audit Report

KATHRYN B. BREWER
Executive Coordinator

RYAN STEPHENSON
Assistant Executive Coordinator



STATE OF OKLAHOMA
DISTRICT ATTORNEYS COUNCIL
421 NW 13th Street, Suite 290 • Oklahoma City, Oklahoma 73103
Federal Grants Division
Ph: 405-264-5008 • Fax: 405-264-5099

Monday, April 22, 2024

Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln St, Suite 1500
Denver, Colorado 80203

Dear Ms. Rice:

The Oklahoma District Attorneys Council (DAC) appreciates the opportunity to provide a written response to the Office of the Inspector General's draft audit report, related to the Oklahoma VOCA Assistance Program. This letter serves as our official response to the five recommendations made by the Office of the Inspector General to the Office of Justice Programs.

Recommendation 1: Ensure that the Oklahoma DAC develops and implements policies and procedures to ensure accurate FFRs are submitted and based on the accounting records.

The DAC concurs with the recommendation to develop policies and procedures to ensure that FFRs are submitted and based on accounting records. The DAC is providing a copy of our new Quarterly FFR Procedure (Attachment A). This procedure outlines the process for completing the FFR accurately. The DAC respectfully disagrees with the finding that the first two FFRs tested did not match the DAC's accounting records. This finding was based on the auditor's review of reimbursements. The FFR shows expenditures to be reported not reimbursements. Because the DAC uses an accrual-based accounting system these two figures will not always match at the end of a quarter.

Recommendation 2: Coordinate with the Oklahoma DAC to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA guidelines and Oklahoma DAC policy.

The DAC concurs with the recommendation to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA guidelines and DAC policy. The DAC is providing updated policies regarding monitoring. The Grant Monitoring Procedure Manual (Attachment B) includes updated procedures that ensure the DAC is monitoring within its capacity, focusing on the risk level of the subrecipient. Our updated Risk Assessment (Attachment C) ensures that subrecipients who have not received a monitoring visit in the past two years are automatically listed as high-risk.

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Additionally, the DAC increased staffing for the VOCA Assistance Program from two Grant Programs Specialists to three Grant Programs Specialists and one Compliance Officer.

Recommendation 3: Require the Oklahoma DAC to develop a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.

The DAC concurs with the recommendation to develop a plan to conduct a site visit for those subrecipients that did not receive a review in the past 24 months. During the audit the DAC hired a contractor to assist in reviewing these subrecipients. At the time of this response, all of these subrecipients have received a site visit, 61 of them are fully completed, with three subrecipients awaiting a final report from their site visit. A spreadsheet is attached for review (Attachment D).

Recommendation 4: Require the Oklahoma DAC to develop and implement written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.

The DAC concurs with the recommendation to implement written policies and procedures to ensure that subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken. The DAC addressed this issue from multiple directions. The Risk Assessment (Attachment C) now requires the Grant Programs Specialist to verify that a single audit report is provided at the beginning of the grant and that management decisions and corrective actions have been taken. The DAC also addressed this in the VOCA Monitoring Form (Attachment E) which now requires the Grant Programs Specialist to confirm the single audit report is submitted to the Audit Clearinghouse in addition to the DAC and that corrective actions have been completed.

Recommendation 5: Ensure the Oklahoma DAC enhances its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.

The DAC concurs with the recommendation to enhance its subrecipient monitoring to include verification procedures for subrecipient-reported performance data. The DAC is providing the updated VOCA Monitoring Form (Attachment E) which now requires the Grant Programs Specialist to confirm what processes, procedures, and programs the subrecipient is using to track and report performance data, as well as a review one of the subrecipient's quarterly performance reports against the subrecipient's backup documentation.

The DAC appreciates the opportunity to respond to the Draft Audit Report. The DAC considers each of the attachments above to contain sensitive information and requests the attachments not be released publicly. Should you have any questions related to this response or require additional information, please contact Robert Harmon, Federal Grants Division Director, at [REDACTED] or robert.harmon@dac.state.ok.us.

Sincerely,


Kathryn B. Brewer
Executive Coordinator
Oklahoma District Attorneys Council

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



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 1, 2024

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

FROM: Jeffery A. Haley *Jeffery A Haley*
Acting Director

SUBJECT: Response to the Draft Report, *Audit of the Office of Justice Programs Victim Assistance Grants, Awarded to the Oklahoma District Attorneys Council, Oklahoma City, Oklahoma*

This memorandum is in reference to your correspondence, dated April 1, 2024, transmitting the above-referenced draft audit report for the Oklahoma District Attorneys Council (Oklahoma DAC). We consider the subject report resolved and request written acceptance of this action from your office.

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

- 1. We recommend that OJP ensure that the Oklahoma DAC develops and implements policies and procedures to ensure accurate FFRs are submitted and based on the accounting records.**

OJP agrees with this recommendation. In its response, dated April 22, 2024, the Oklahoma DAC provided a copy of its *Quarterly Federal Financial Report (FFR) Policy*, which outlines their process for ensuring that accurate FFRs are submitted, which are based on their accounting records. The Oklahoma DAC disagreed that the OIG's first two FFRs tested during the audit did not match its accounting records. The Oklahoma DAC stated that the finding was based on the auditor's review of reimbursements, and that the FFR shows expenditures to be reported, not reimbursed. Furthermore, the Oklahoma DAC stated that because they use an accrual-based accounting system, the two figures will not always match at the end of each quarter. However, we do not agree with the Oklahoma DAC's statement that, because they use accrual-based accounting, the FFRs would not always agree to its accounting records, because when obligations are incurred, but the expenditures have not yet been recorded, they would be reported as unliquidated obligations on the FFR.

Accordingly, we will coordinate with Oklahoma DAC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that future FFRs are accurately submitted and based on actual expenditures incurred, and agree to their grant accounting records.

2. **We recommend that OJP coordinate with the Oklahoma DAC to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA guidelines and Oklahoma DAC policy.**

OJP agrees with this recommendation. In its response, dated April 22, 2024, the Oklahoma DAC provided a copy of its *Grant Monitoring Procedure Manual*, which included procedures to ensure that subrecipient monitoring is completed timely and in accordance with Victims of Crime Act (VOCA) guidelines and Oklahoma DAC's policy. Additionally, Oklahoma DAC provided a copy of its Risk Assessment tool. However, we do not believe the procedures are adequate to close this recommendation, as they do not: include sufficient detail regarding how Oklahoma DAC plans to ensure the timeliness of its monitoring; specify the names of the policies that must be adhered to (i.e., VOCA guidelines and Oklahoma DAC policy); and contain the signature of the Oklahoma DAC signing authority.

Accordingly, we will coordinate with the Oklahoma DAC to obtain a copy of its written and signed policies and procedures, developed and implemented, to ensure that subrecipient monitoring is completed timely and in accordance with VOCA guidelines and Oklahoma DAC policy.

3. **We recommend that OJP require the Oklahoma DAC to develop a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.**

OJP agrees with this recommendation. In its response, dated April 22, 2024, the Oklahoma DAC stated that it had hired a contractor to assist in reviewing the subrecipients that did not receive a review in the past 24 months. The Oklahoma DAC also stated that all of these subrecipients have now received a site visit, and provided an Excel spreadsheet of its efforts. Oklahoma DAC further indicated that final reports have been issued for 61 of these site visits, and reports are currently being drafted for the remaining three. However, the Oklahoma DAC did not provide a copy of the final report for these site visits.

Accordingly, we will coordinate with the Oklahoma DAC to obtain a copy of their final site visit report for each subrecipient.

4. **We recommend that OJP require the Oklahoma DAC to develop and implement written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.**

OJP agrees with this recommendation. In its response, dated April 22, 2024, the Oklahoma DAC stated that it had addressed the issue of ensuring subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding, from multiple directions. The Oklahoma DAC stated that the Risk Assessment now requires the Grant Programs Specialist to verify that a single audit report is provided at the beginning of the grant period, and confirm that management decisions and corrective actions have been taken. Likewise, the Oklahoma DAC stated that the VOCA Monitoring Form now requires that the Grant Programs Specialist confirm that a single audit report was submitted to the Federal Audit Clearinghouse and to Oklahoma DAC, and that corrective actions have been completed.

However, while Oklahoma DAC provided a copy of its Risk Assessment and VOCA Monitoring Form, to illustrate the additional steps it has taken to address subrecipient single audit report compliance, we do not believe these actions fully address this recommendation, as the Oklahoma DAC did not provide a copy of its written policies and procedures, developed and implemented, to address this recommendation.

Accordingly, we will coordinate with the Oklahoma DAC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.

5. **We recommend that OJP ensure the Oklahoma DAC enhances its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.**

OJP agrees with this recommendation. In its response, dated April 22, 2024, the Oklahoma DAC provided a copy of its VOCA Monitoring Form, which it stated requires the Grant Programs Specialist to confirm the processes, procedures, and programs a subrecipient is using to track and report performance data, along with a review of one of the subrecipient's quarterly performance reports against its backup data. However, we do not believe this information fully addresses the recommendation, as the verification is only in the form of questions for subrecipient-reported performance data, and does not include a review of the actual source documentation that supports the data. Further, the procedure does not contain the signature of the Oklahoma DAC signing authority.

Accordingly, we will coordinate with the Oklahoma DAC to obtain a copy of its written and signed enhanced subrecipient monitoring policies and procedures, developed and implemented, to include verification procedures for subrecipient-reported performance data.

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, Audit and Review Division, of my staff, 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
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Kristina Rose
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OJP Executive Secretariat
Control Number OCOM000831

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Oklahoma District Attorneys Council (Oklahoma DAC) and the Office of Justice Programs (OJP). The Oklahoma DAC's response is incorporated in Appendix 2, and OJP'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. The Oklahoma DAC concurred with our recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure that the Oklahoma DAC develops and implements policies and procedures to ensure accurate Federal Financial Reports (FFR) are submitted and based on the accounting records.**

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the Oklahoma DAC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that future FFRs are accurately submitted and based on actual expenditures incurred, and agree to their grant accounting records. Also, OJP disagreed with the Oklahoma DAC's statement that because it uses accrual-based accounting, expenditures and reimbursements would not always match at the end of each quarter. OJP noted that obligations that have been incurred, but are not yet recorded, would be recorded as unliquidated obligations on the FFR.

The Oklahoma DAC concurred with our recommendation to develop policies and procedures to ensure that FFRs are submitted and based on accounting records. However, the Oklahoma DAC respectfully disagreed with the audit finding that the first two FFRs tested did not match the Oklahoma DAC's accounting records. The Oklahoma DAC also stated that the FFR shows expenditures not reimbursements and because the Oklahoma DAC uses an accrual-based accounting system, the two figures will not always match at the end of the quarter.

As discussed in the Financial Reporting section of this report, we determined the first two FFRs tested did not match the Oklahoma DAC's accounting records for the FYs 2021 and 2022 grants. Based on our review of these reports, we determined that the discrepancy for the FY 2021 award could be attributed to costs that had not been incurred; however, for the FY 2022 award it was unclear what caused the discrepancy because even when costs that had not been incurred were included, the reported figures did not match. Regardless, as OJP noted in its response, obligations that have been incurred, but are not yet recorded, would be recorded as unliquidated obligations on the FFR. Additionally, as discussed in the Financial Reporting section of this report, the Oklahoma DAC does not have formal policies or procedures for submitting FFRs despite a previous finding and recommendation made by OJP. This was the primary driver behind our recommendation as subsequent FFRs submitted by the Oklahoma DAC were accurate, as mentioned in the Financial Reporting section of this report.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when we receive documentation showing that the Oklahoma DAC has developed and implemented policies and procedures to ensure accurate FFRs are submitted and based on the accounting records.

2. **Coordinate with the Oklahoma DAC to develop a mechanism to ensure subrecipient monitoring is completed timely and in accordance with Victims of Crime Act (VOCA) guidelines and Oklahoma DAC policy.**

Resolved. OJP agreed with our recommendation and stated in its response that although the Oklahoma DAC provided a copy of its risk assessment tool, it does not believe the procedures are adequate to close this recommendation because the procedures do not include sufficient detail regarding how Oklahoma DAC plans to ensure the timeliness of its monitoring; specify the names of the policies that must be adhered to (i.e., VOCA Guidelines and Oklahoma DAC policy); and contain the signature of the Oklahoma DAC signing authority. OJP stated that it will coordinate with the Oklahoma DAC to obtain a copy of its written and signed policies and procedures, developed and implemented, to ensure that subrecipient monitoring is completed timely and in accordance with VOCA Guidelines and Oklahoma DAC policy.

The Oklahoma DAC concurred with our recommendation and stated in its response that it provided updated policies regarding monitoring. The response also stated that the Grant Monitoring Procedure Manual includes updated procedures to ensure the Oklahoma DAC is monitoring within its capacity, focusing on the risk level of the subrecipient. The Oklahoma DAC also stated that the updated risk assessment ensures that subrecipients who have not received a monitoring visit in the past 2 years are automatically listed as high risk.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when we receive documentation showing that the Oklahoma DAC has developed a mechanism to ensure subrecipient monitoring is completed timely and in accordance with VOCA Guidelines and Oklahoma DAC policy.

3. **Require the Oklahoma DAC to develop a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.**

Resolved. OJP agreed with our recommendation and stated in its response that although the Oklahoma DAC provided a spreadsheet of its monitoring efforts, the Oklahoma DAC did not provide a copy of the final report for these site visits. OJP stated that it will coordinate with the Oklahoma DAC to obtain a copy of its final site visit report for each subrecipient.

The Oklahoma DAC concurred with our recommendation and stated in its response that during the audit the Oklahoma DAC hired a contractor to assist in reviewing subrecipients. The Oklahoma DAC also stated that at the time of their response, all of subrecipients have received a site visit, with 61 fully completed and three subrecipients awaiting a final report from the site visit.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when we receive documentation showing that the Oklahoma DAC has developed a plan to conduct a site visit of those subrecipients that did not receive a review in the past 24 months, as required, with priority given to those subrecipients that did not receive a site visit within our audit scope.

4. **Require the Oklahoma DAC to develop and implement written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.**

Resolved. OJP agreed with our recommendation and stated in its response that while the Oklahoma DAC provided a copy of its risk assessment and VOCA Monitoring Form, to illustrate the additional steps it has taken to address subrecipient single audit report compliance, it does not believe these actions fully address this recommendation, as the Oklahoma DAC did not provide a copy of its written policies and procedures, developed and implemented, to address this recommendation. OJP stated that it will coordinate with the Oklahoma DAC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.

The Oklahoma DAC concurred with our recommendation and stated in its response that the Oklahoma DAC addressed this issue from multiple directions. The response stated that the risk assessment now requires the Grant Programs Specialist to verify that a single audit report is provided at the beginning of the grant and that management decisions and corrective actions have been taken. The Oklahoma DAC also addressed this in the VOCA Monitoring Form, which now requires the Grant Programs Specialist to confirm the single audit report is submitted to the Audit Clearinghouse in addition to the Oklahoma DAC and that corrective actions have been implemented.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when we receive documentation showing that the Oklahoma DAC has developed and implemented written policies and procedures to ensure subrecipient single audit reports are obtained and reviewed, management decisions are issued, and corrective action is taken on subrecipient single audit report findings related to VOCA funding.

5. **Ensure the Oklahoma DAC enhances its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.**

Resolved. OJP agreed with our recommendation and stated in its response that while the Oklahoma DAC provided a copy of its Monitoring Form, it does not believe the information fully addresses the recommendation, as the verification is only in the form of questions for subrecipient-reported performance data and does not include a review of the actual source documentation that supports the data. Further, OJP stated that the procedure does not contain the signature of the Oklahoma DAC signing authority. OJP stated that it will coordinate with the Oklahoma DAC to obtain a copy of its written and signed enhanced subrecipient monitoring policies and procedures, developed, and implemented, to include verification procedures for subrecipient-reported performance data.

The Oklahoma DAC concurred with our recommendation and stated in its response that the Oklahoma DAC provided the updated VOCA Monitoring Form which require the Grant Program Specialist to confirm what processes, procedures, and programs the subrecipient is using to track and report performance data, as well as a review of one of the subrecipients quarterly performance reports against the subrecipients backup documentation.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when we receive documentation showing that the Oklahoma DAC has enhanced its subrecipient monitoring to include verification procedures for subrecipient-reported performance data.