



Audit of the Office of Justice Programs Victim
Assistance Grants Awarded to the Montana Board
of Crime Control, Helena, Montana



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Objective

The objective of the audit was to evaluate how the Montana Board of Crime Control (Montana BCC) 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

As a result of our audit, we concluded that Montana BCC utilized and managed Victims of Crime Act (VOCA) funding to support its victim assistance program. This audit did not identify significant concerns regarding Montana BCC's selection of subaward recipients or communication of grant requirements to subrecipients. However, we identified deficiencies and areas of improvement related to its subrecipient monitoring.

Recommendations

Our report contains six recommendations to the Office of Justice Programs (OJP) to assist Montana BCC in improving its grant management and administration. We requested a response to our draft audit report from Montana BCC and OJP officials, and their responses can be found in Appendix 2 and 3, respectively. Our analysis of these 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 Montana BCC in Helena, Montana. The OVC awarded these formula grants, totaling \$9,575,562 for fiscal years 2020 and 2021, from the Crime Victims Fund to enhance crime victim services throughout Montana. As of March 30, 2024, Montana BCC drew down a cumulative amount of \$9,469,357.

Program Accomplishments

We determined Montana BCC served victims of crime by awarding VOCA funds to 76 subrecipients with its 2020 and 2021 grants.

Monitoring of Subrecipients

We found that Montana BCC had written subrecipient monitoring policies and procedures and communicated grant requirements to subrecipients. However, we found that its existing policies and procedures were inadequate and should be enhanced to address: (1) clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements; (2) inadequate planning to complete required subrecipient monitoring; (3) improvements to and maintenance of documentation for desk reviews and on-site visits; (4) adequate review and approval of subrecipient expenditures in accordance with its supporting documentation requirements, (5) issuance of management decision letters and ensuring corrective action is taken for subrecipient audit findings, and (6) verification of subrecipient Performance Measurement Tool data as complete and accurate.

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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 Montana Board of Crime Control (Montana BCC) in Helena, Montana. 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) 2020 to 2021, these OVC grants totaled \$9,575,562.

Table 1

Audited Grants

FYs 2020 – 2021

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2020-V2-GX-0039 ^a	9/17/2020	10/1/2019	9/30/2024	\$5,785,585
15POVC-21-GG-00582-ASSI	9/16/2021	10/1/2020	9/30/2024	\$3,789,977
Total:				\$9,575,562

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

^a Montana BCC received a 1-year, no-cost extension through September 30, 2024.

Source: JustGrants

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. 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 (the cap).

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 2014 to a high of \$3 billion in 2018. Since 2018, the cap has decreased along with deposits into CVF, with the most recent cap set at \$1.35 billion for FY 2024. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the states' population. Therefore, the annual VOCA victim assistance grant funds available to Montana BCC decreased from 2020 to 2021.

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

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

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 nonprofit organizations that directly provide the services to victims. Eligible services are efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security.

The Grantee

Montana BCC is responsible for administering the victim assistance program for the state of Montana. Montana BCC was created in 1968 with the goal to promote public safety. Its mission is to proactively contribute to public safety, crime prevention, and victim assistance through planning, policy development, and coordination of the justice systems in partnership with citizens, government, and communities. To achieve this mission, Montana BCC provides financial support, technical assistance, and supportive services to state and local criminal justice agencies and funding to local, regional, and statewide projects that address juvenile justice, public safety, and victim services.

OIG Audit Approach

The objective of the audit was to evaluate how Montana BCC 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 Montana BCC policy and procedures and Montana BCC records reflecting grant activity, as well as interviewed Montana BCC 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 main purpose of the VOCA victim assistance grants is to support crime victim services. Montana BCC, which is the primary recipient of victim assistance grants at the state level in Montana, must distribute the majority of the funding to organizations that provide direct services to victims, such as child advocacy centers, domestic violence shelters, sexual assault service support, legal advocacy services, and community support centers. As the SAA, Montana BCC has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require SAAs to give priority to victims of sexual assault, domestic abuse, and child abuse. SAAs must also make funding available for previously underserved populations of violent crime victims.² As long as a SAA allocates at least 10 percent of available funding to victim populations in each of these victim categories, it has the discretion in determining the amount of funds each subrecipient receives.

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

Subaward Allocation Plan

The OVC's FY 2021 VOCA Victim Assistance Formula Solicitation required the state and territory applicants submit a subrecipient funding plan that detailed their efforts to identify additional victim service needs, as well as subaward strategies to utilize the VOCA funding.³ According to the VOCA Guidelines, SAAs are encouraged to develop a funding strategy which considers the unmet needs of crime victims and the demographic profile of crime victims. Based on our review, we determined Montana BCC conducted roundtable discussions throughout the state of Montana between October 2021 and June 2023 to identify victim services needs and provided funding to all applicants that met basic application requirements.

Subaward Selection Process

To assess how Montana BCC granted its subawards, we identified the steps that Montana BCC took to inform, evaluate, and select subrecipients for VOCA funding. Based on our discussion with Montana BCC officials and a review of program records, Montana BCC posted its funding opportunities to its website. All applications were reviewed and scored by three Montana BCC officials. These officials scored eight required response areas from the application, which included the proposed budget and budget narrative, needs

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 VOCA Guidelines also indicate that in defining underserved victim populations, states should also identify gaps in available services by victims' demographic characteristics.

³ The OVC FY 2020 VOCA Victim Assistance Formula Solicitation does not include this requirement.

statement, and sustainability plan. The scores were determined based on the presence and quality of key attributes for each of the eight items. All applications receiving an average score of 60 or more were recommended to Montana BCC's Board of Directors for final approval. Upon final approval, Montana BCC notified recipients and executed the subawards. As of September 2023, we found that Montana BCC funded 76 subrecipients with its 2020 and 2021 federal grant awards.

Subaward Requirements

SAA's must adequately communicate VOCA requirements to their subrecipients. We reviewed Montana BCC's website, subaward solicitations, award packages, and annual trainings to assess its process for communicating subaward and VOCA-specific requirements to its subrecipients. We found that Montana BCC adequately communicated requirements to subrecipients.

Priority Areas Funding Requirement

The VOCA Guidelines require that Montana BCC award a minimum of 10 percent of 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.⁴ Montana BCC defines underserved populations broadly to include any person without access to victims' services under the domestic violence, sexual assault, or child abuse service areas.

We examined how Montana BCC allocated VOCA subawards to gauge whether it was on track to meet the program's priority areas distribution requirements. Although Montana BCC was on track to meet the requirements, at the time of our audit, we found that Montana BCC did not have adequate procedures to ensure that its subrecipient awards made from each of its annual victim assistance grants fulfilled the priority area requirements. However, as a result of our audit, Montana BCC staff enhanced its subaward allocation plan recordkeeping to ensure that it incorporated the priority area percentages that subrecipients plan to serve as submitted within their grant applications. Based on our review of the enhanced plan, we found it to be adequate and therefore did not make a recommendation.

Monitoring of Subrecipients

According to the DOJ Grants Financial Guide, the purpose of subrecipient monitoring is to ensure that subrecipients: (1) use subaward funds for authorized purposes; (2) comply with the federal program and grant requirements, laws, and regulations; and (3) achieve subaward performance goals. As the SAA, Montana BCC must develop policies and procedures to monitor subrecipients. To assess the adequacy of Montana BCC's monitoring of its VOCA subrecipients, we interviewed Montana BCC personnel, reviewed a sample of subrecipient payments, and assessed monitoring policies, procedures, and activities.

Montana BCC's subrecipient monitoring activities include payment request reviews, desk reviews, and on-site visits, in addition to controls used throughout its entire subaward process to ensure subrecipients fulfill the subaward objectives (e.g., application reviews, subaward budgets, annual trainings, technical assistance

⁴ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

to subrecipients). Each subaward cycle, Montana BCC completes its risk assessment to categorize subrecipients by risk level (low, medium, and high) and determines the frequency of desk reviews and on-site visits.

As discussed in detail below, we found Montana BCC maintained written policies and procedures for subrecipient monitoring and adequately communicated victim assistance grant requirements to its subrecipients. We also found that staff completed monitoring activities throughout the scope of our audit. However, based on our review, we found Montana BCC's existing subrecipient monitoring-related policies and procedures to be inadequate and should be enhanced to address: (1) clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements; (2) inadequate planning to complete required subrecipient monitoring; (3) improvements to and maintenance of documentation for desk reviews and on-site visits; (4) adequate review and approval of subrecipient expenditures in accordance with its supporting documentation requirements, (5) issuance of management decision letters and ensuring corrective action is taken for subrecipient audit findings, and (6) verification of subrecipient Performance Measurement Tool (PMT) data as complete and accurate.

Monitoring Type and Frequency

According to the VOCA Guidelines, SAAs are required to conduct regular desk monitoring and on-site monitoring of all subrecipients at least once every 2 years during the award period, unless a different frequency based on risk assessment is set out in the state's monitoring plan. Table 2 provides a summary of Montana BCC's risk designations and monitoring requirements for subrecipients funded under Montana BCC's most recently completed subaward cycles.⁵

⁵ Montana BCC's subaward cycle is a 2-year cycle, with a new cycle starting each state FY, or July 1 to June 30. Starting with its state FY 2022-2023 award cycle, Montana BCC added language to its subaward funding opportunity announcement that specifically prevented subrecipients from funding the same project for two consecutive concurrent subaward cycles.

Table 2

**Subrecipient Risk Designations and Monitoring Requirements
for Montana BCC State FY 2022 to 2024 Subaward Cycles**

Subrecipient Risk Level	2022-2023 Subrecipients	2023-2024 Subrecipients	Desk Reviews	On-Site Monitoring
Low	25	18	Once every 2-year grant cycle	New subrecipient program, once per 2-year grant cycle
				Existing subrecipient program, no more than every 3 years
Medium	13	8	Once every 2-year grant cycle	New subrecipient program, once per 2-year grant cycle
				Existing subrecipient program, no more than every 2 years
High	1	0	None	Within 1 year ^a
Total Number of Subrecipients	39	26		

Note: We limited our assessment of monitoring activities to subrecipients funded under these two Montana BCC subaward cycles.

^a Montana BCC did not specify an event or action within which on-site visits must be completed for high-risk subrecipients.

Source: OIG review of Montana BCC records and Risk Assessment policy.

Clarifying Requirements for the Type and Frequency of Monitoring

Based on our review, we determined Montana BCC's Risk Assessment policy for existing subrecipients designated as medium and low-risk lacked clear parameters for when on-site visits must be completed because the "no more than every" standard provided only a maximum restriction on how frequent Montana BCC can conduct on-site monitoring. For example, subrecipients that are not visited or visited once every 10 years would comply with Montana BCC's policy. We also determined these on-site visits requirements were unclear because they did not define the period for each monitoring cycle (e.g., calendar year, fiscal year, subaward period) that would be used to assess compliance with its monitoring policy, especially for subrecipients that receive funding for more than one active VOCA project.

During the audit, Montana BCC revised its policy to clarify these requirements. However, we determined that the revisions did not address all the weaknesses we identified. Specifically, Montana BCC added a footnote to specify that on-site visits must be conducted at least every 3 years for all subrecipients. However, this language weakens the monitoring requirements for medium and high-risk subrecipients by permitting Montana BCC to complete required monitoring at the same frequency as low-risk subrecipients despite their higher risk designation. Additionally, by completing monitoring for all subrecipients regardless of risk, Montana BCC's monitoring policy may not comply with the VOCA Guidelines, which required monitoring to be based on a risk assessment when site visits are conducted less than the minimum standard of at least once every 2 years for all subrecipients.

For high-risk subrecipients, the policy did not include any desk review requirements. Montana BCC stated that it did not require desk reviews for high-risk subrecipients because these subrecipients automatically receive an on-site visit within 1 year of the designation. However, this policy does not address the fact that some subrecipients may continue to be designated high-risk for more than a year. Montana BCC's only high-risk subrecipient during our review period was designated high-risk based on a desk review and Montana BCC had not conducted an on-site visit at the time of our audit, 3 years after its designation.

As a result, we recommend OJP work with Montana BCC to enhance its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.

Implementing a Plan to Complete Required Monitoring

For the subrecipients funded under Montana BCC's state FY 2022-2023 and FY 2023-2024 subaward cycles, Montana BCC will have completed only 3 of 65 required desk reviews before the second cycle ends in June 2024. While Montana BCC completed 23 on-site visits and is scheduled to visit most of the subrecipients at least once between July 1, 2021 and December 2024, we were not able to measure its compliance with its monitoring requirements due to limitations in its policy, as mentioned above. We discussed this issue with Montana BCC officials, and they acknowledged that required monitoring activities were not completed.

During the audit, Montana BCC staff identified weather, geography, and state travel laws that prohibit the use of air travel in-state as several factors that impact its ability to conduct required monitoring. While we did not assess the impact of these factors on Montana BCC's monitoring activities, we found that Montana BCC did not have an adequate monitoring plan. Although Montana BCC used a monitoring tracking spreadsheet, this spreadsheet did not include details necessary to evaluate its progress towards completing monitoring and, as discussed above, Montana BCC did not have clearly defined and measurable requirements for monitoring. In addition to assessing its compliance with its requirements, a monitoring plan would provide Montana BCC with critical information that can be used to reassess whether its monitoring requirements are achievable and its risk assessment appropriately addresses risk so that subrecipients: (1) use subaward funds for authorized purposes; (2) comply with the federal program and grant requirements, laws, and regulations; and (3) achieve subaward performance goals.

Therefore, we recommend OJP work with Montana BCC to design and implement a monitoring plan that demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.

Nature and Scope of Monitoring

According to its Monitoring of Subgrantees policy, the purpose of desk reviews and on-site visits is to: (1) highlight successes and areas of strength within a program; (2) increased awareness of any issues that may need attention; (3) identify areas of opportunities for Montana BCC to assist with challenges through training and technical assistance; and (4) ensure compliance with applicable regulations, laws, and guidelines. As part of these desk reviews and on-site visits, Montana BCC staff are required to review subrecipient responses to a set of standard questionnaires regarding financial and programmatic policies and procedures. Montana BCC's policy also requires staff to document and maintain notes for desk reviews and on-site visits. These notes must include any discussions regarding the: (1) strengths and concerns identified in the documents received from the subrecipient, (2) follow-up questions to documents provided

by the subrecipient that need additional clarification during the desk review, and (3) challenges and successes the subrecipient would like to discuss.

For desk reviews and on-site visits, Montana BCC personnel informed us that they review questionnaire responses, general ledgers, accounting records, financial policies and procedures, and a sample of project expenditures. For on-site visits, staff informed us that the approach is similar, but these reviews provide Montana BCC staff the opportunity to perform a walkthrough of the subrecipient's operations to verify compliance with program requirements and meet with program officials and personnel. For on-site visits, Montana BCC staff also complete an on-site monitoring checklist. We found this checklist includes an area for staff to document that subrecipients have required employment policies, staff training materials, and victim services policies and procedures. The checklist also includes confirming whether subrecipients have performance evaluation and data collection capabilities.

We reviewed a sample of one desk review and four on-site visits and found that monitoring records did not include sufficient evidence of the nature and scope of the monitoring activities performed and did not include any required notes that may have provided some insight into monitoring staff's review of subrecipient expenditures or performance data. Based on our review, we determined that Montana BCC's subrecipient monitoring guidance lacked substantive procedures for how its monitoring personnel are expected to assess subrecipient policies and procedures for administering the subawards.

As a result, we could not assess the extent to which the sampled Montana BCC monitoring activities were adequate to ensure that subrecipients: (1) used grant funds for authorized purposes; (2) complied with federal program and grant requirements, laws, and regulations; and (3) achieved subaward performance goals. Without adequate subrecipient monitoring records, it is not possible to assess the effectiveness of Montana BCC's monitoring activities to ensure subrecipients complied with applicable Montana BCC and federal award requirements.

We discussed our results with Montana BCC officials, and they acknowledged that the desk review and on-site monitoring records we reviewed did not demonstrate the nature and scope of oversight performed during the selected monitoring activities. Therefore, we recommend OJP work with Montana BCC to enhance its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the records maintained.

Subaward Expenditures

Montana BCC's subrecipient payment review process is a critical component of subrecipient monitoring, along with desk reviews and on-site visits. As of September 2023, Montana BCC paid a total of \$8,543,576 to its subrecipients from the VOCA victim assistance program funds in the scope of our audit. To evaluate Montana BCC's process for reviewing subrecipient payments, we judgmentally selected nine monthly or quarterly reimbursement requests paid to six subrecipients between August 2021 and March 2023, which totaled \$190,090, to determine whether the payments were approved in accordance with Montana BCC's requirements. These reimbursement requests included expenditures for personnel, fringe benefits, contracted services, travel, and operational costs.

In July 2021, Montana BCC implemented its current grants management system and updated its written policies and instructions for the type of documentation subrecipients are required to submit to support reimbursement requests. During our discussions with officials, we were told that Montana BCC requires support for all expenditures.

Based on our review of the sampled reimbursement requests, we determined that Montana BCC's written policy and its personnel's review of supporting documentation were adequate to ensure that payments were generally allowable and that costs submitted for reimbursement were approved in subrecipients' budgets. However, we found that Montana BCC approved payments without collecting and reviewing all the documentation required by its written policy.

Personnel and Fringe Benefits

For personnel and fringe benefits costs, Montana BCC required its subrecipients to submit accounting system records to support individual costs and timesheets that identify actual hours worked by funding source and are signed by the employee and supervisor. Based on the records we received, Montana BCC did not obtain these documents for all subrecipient personnel-related expenditures and in some cases subrecipients were allocating amounts to multiple funding sources but did not provide documentation to support the allocation formula. In December 2022, Montana BCC clarified its personnel costs supporting documentation requirements to specify that supporting documentation for personnel and fringe benefits must include an after-the-fact distribution of actual hours from all sources. It also created standardized timesheet templates for subrecipients to use.

Based on more recently processed payments, we determined that Montana BCC made improvements in collecting support for specific fringe benefit amounts within the scope of our review. However, we found that Montana BCC approved reimbursements without requiring subrecipients to submit its standardized timesheets or similar records to support the after-the-fact distribution of actual hours worked for their various programs with different funding sources. For subrecipients whose personnel costs were funded by multiple sources, we found that one did not provide these records, and another changed the standard timesheet to eliminate the breakout of hours by different funding sources.

For fringe benefits, we also found that Montana BCC did not demonstrate that it collected supporting documentation that identified each type of costs paid by employers for one of the six subrecipients included in our review.

Supplies and Other Costs

For supplies, Montana BCC required receipts for all purchases. For other costs, including rent, utilities, and janitorial services, Montana BCC required subrecipients to provide receipts and a breakout of percentages paid by all funding sources. Based on our review of these costs, we determined that subrecipients directly allocated these costs among different funding sources, including VOCA, but the records Montana BCC provided did not adequately support these allocations. During our discussions, Montana BCC stated that the percentages used were approved in subrecipient budgets. However, we were not able to match the percentages used in comparison to the approved percentages.

We also found that the percentage of costs allocated to VOCA varied by type of expense and supporting records Montana BCC provided did not show how subrecipients calculated the percentages, which was necessary to assess whether the allocation complied with requirements for the Direct Allocation Method, or other available methods, found in appropriate appendices of the Uniform Administrative Requirements. Specifically, the records did not identify the allocation base (e.g., square footage, number of full-time employees). Without this information, we determined it was not possible to assess whether reimbursements reflected the benefits provided to each federal award or other activity.

Contractor and Consultant Expenditures

For contract and consultant expenditures, Montana BCC required copies of the contract or Memorandum of Understanding (MOU) and invoices. Based on the records Montana BCC provided, we found Montana BCC reimbursed its subrecipients based on evidence of subrecipient payments issued to the vendors and Montana BCC did not receive the required contracts or MOUs and complete invoices. We determined that obtaining these documents is necessary to ensure that reimbursed costs were calculated in accordance with the terms and conditions outlined in contract or consultant agreements and to assess if these costs complied with applicable federal award requirements. Additionally, some of the costs were for counseling services paid to contracted professionals. For these types of costs, the records Montana BCC provided were not adequate to ensure the amount paid complied with the maximum allowable consultant rate requirements, which is limited to \$81.25 per hour or \$650 per day without prior approval from OJP.

Overall, we found that approving payments based on adequate and appropriate supporting documentation is necessary to ensure subrecipient expenditures comply with applicable Montana BCC and federal award requirements. Additionally, approving payments in accordance with its written policies and procedures is also critical to ensure its subrecipient expenditure review process is well-designed and functioning as intended. As a result, we recommend OJP work with Montana BCC to reassess its existing policies and practices for reviewing subrecipient expenditures to ensure Montana BCC has adequate controls in place for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.

Subrecipient 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 DOJ Grants Financial Guide, primary recipients are required to ensure subrecipients have single audits completed when required and, as appropriate, corrective actions on all audit findings have been implemented. 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.

We found that Montana BCC required subrecipients to confirm whether a single audit was completed as part of its subrecipient risk assessment. However, based on our discussions with Montana BCC officials, we determined that Montana BCC did not have policies and procedures for ensuring that it fulfilled its pass-through entity responsibilities: (1) to review subrecipient single audit report submissions to identify findings on victim assistance funds subawarded by Montana BCC, and (2) to issue management decision letters when corrective action was required. As part of our audit, we reviewed Montana BCC subrecipient single audit submissions related to the victim assistance grants for 2020-2022. We found that two subrecipients had findings on VOCA funding for which Montana BCC had not issued management decision letters.

Prior to the end of our audit work, Montana BCC implemented policy to strengthen procedures for identifying subrecipients that require single audits. The policy included a review of subrecipient single audit reports and identifying those subrecipients with findings, but it did not include procedures for issuing management decision letters and ensuring corrective action was taken on related subrecipient single audit report findings. As a result, we recommend OJP work with Montana BCC to enhance its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.

Performance Data and Reporting

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

According to Montana BCC, subrecipients reported program accomplishments towards achieving subaward goals and objectives in Montana BCC's grants management system, and Montana BCC personnel demonstrated that it periodically reviews accomplishments and supporting documentation.

Montana BCC submitted annual performance reports to the OVC for FY 2020 and 2021 based on data entered by its subrecipients directly into PMT. During on-site visits, Montana BCC personnel told us that they review PMT data to ensure it is generally accurate and aligns with performance measures by having subrecipients generate system reports on program activities to compare with reported PMT data. However, these comparisons were not documented by Montana BCC. Additionally, staff were expected to complete an on-site visit checklist, but as discussed earlier, we determined that this checklist and other monitoring records lacked substantive procedures for how its monitoring personnel are expected to assess subrecipient policies and procedures, including PMT data verification. Verification of this data is critical to ensuring PMT reports submitted to OJP are complete and accurate, especially for those subrecipients whose data must be prorated among different funding sources.

Overall, we found that Montana BCC did not have policies and procedures for documenting its review of program accomplishments and PMT data as part of the payment review process or during subrecipient monitoring. Therefore, we recommend OJP work with Montana BCC to enhance its existing policies and procedures to ensure subrecipient PMT data is verified as complete and accurate.

Subaward Reporting

States must submit a Subgrant Award Report (SAR) to the OVC via PMT for each subrecipient of VOCA victim assistance funds within 90 days of awarding funds to subrecipients. Any changes or revisions to 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. Based on our review of SAR data, we took no issue with Montana BCC's subaward reporting.

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 Montana BCC's financial management of its VOCA grants, we reviewed the process Montana BCC used to administer these funds by examining administrative expenditures, drawdown requests, match contributions, and financial reports. To further evaluate Montana BCC's financial management of the VOCA grants, we also reviewed the state of Montana's single audit reports for FYs 2018 to 2022 and did not find deficiencies or material weaknesses specifically related to Montana BCC. We also interviewed Montana BCC personnel who were responsible for financial aspects of the grants and, reviewed Montana BCC written policies and procedures, award documents, financial records.

As discussed earlier, our audit identified areas of improvement related to Montana BCC's subrecipient monitoring. However, we determined that Montana BCC implemented adequate controls over grant financial management related to drawdowns, financial reporting, and matching requirements.

Administrative 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. According to the VOCA Final Rule, such costs must derive from efforts to expand, enhance, or improve how the agency administers the state crime victim assistance program and to support activities and costs that impact the delivery and quality of services to crime victims throughout the state.

We compared the total administrative expenditures charged to the grants against the general ledger and determined that the state complied with the 5-percent limit. Based on the records maintained by Montana BCC to support its method for allocating administrative costs to its victim assistance grants, we determined that detailed testing of administrative expenditures was not necessary.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and grantees 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 Montana BCC managed grant receipts in accordance with these federal requirements, we compared the total amount

reimbursed to the total expenditures in Montana BCC's accounting system and accompanying financial records.

For the VOCA victim assistance awards, Montana BCC calculated drawdowns on a reimbursement basis based on expenditures recorded in its accounting system. During this audit, we did not identify significant deficiencies related to Montana BCC'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 Montana BCC submitted accurate Federal Financial Reports, we compared the four most recent reports for each grant to Montana BCC's accounting records. We determined that quarterly and cumulative expenditures for the reports reviewed matched 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.⁶ The SAA has primary responsibility for ensuring subrecipient compliance with match requirements. Montana BCC communicated match requirements to subrecipients through instructions and trainings posted to its website.

According to Montana BCC, most subrecipients met match requirements through volunteer hours. During the scope of our review, we found that most of Montana BCC subrecipients received a match waiver for projects funded under Montana BCC's state FY 2022-2023 and 2023-2024 subaward cycles.⁷ As a result, we did not conduct separate testing of Montana BCC's procedures for ensuring subrecipients met their match obligations as part of our audit.

⁶ 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.

⁷ In July 2021, Congress enacted the VOCA Fix Act to Sustain the Crime Victims Fund Act, Pub. L. No. 117-27, § 3(b), 135 Stat. 302, which requires states to waive subgrantee match requirements during national emergencies or pandemics. States are required to have written policies and procedures for approving match waivers.

Conclusion and Recommendations

Our audit concluded that Montana BCC used its 2020 and 2021 grants to distribute VOCA funding to organizations that provided direct services to crime victims within Montana. This audit did not identify significant concerns regarding Montana BCC's selection of subaward recipients, communication of grant requirements to subrecipients, or certain areas of grant financial management (i.e., administrative expenditures, drawdowns, federal financial reporting, and matching requirements). However, we determined that Montana BCC should enhance its subrecipient monitoring policies and procedures and its review of subrecipient expenditures and performance reporting to improve its oversight of VOCA funding and ensure that subrecipient costs are allowable and supported. We provide six recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with Montana BCC to enhance its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.
2. Work with Montana BCC to design and implement a monitoring plan that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.
3. Work with Montana BCC to enhance its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the records maintained.
4. Work with Montana BCC to reassess its existing policies and practices for reviewing subrecipient expenditures to ensure Montana BCC has adequate controls in place for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.
5. Work with Montana BCC to enhance its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.
6. Work with Montana BCC to enhance its existing policies and procedures to ensure subrecipient PMT data is verified as complete and accurate.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of the audit was to evaluate how the Montana Board of Crime Control (Montana BCC) 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 2020-V2-GX-0039 and 15POVC-21-GG-00582-ASSI from the Crime Victims Fund awarded to Montana BCC. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling \$9,575,562 to Montana BCC, which serves as the State Administering Agency. Our audit concentrated on, but was not limited to, the period of October 1, 2019, through March 2024. As of March 30, 2024, Montana BCC drew down a cumulative amount of \$9,469,357 from the two audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Montana BCC's activities related to the audited grants, which included conducting interviews with state of Montana 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 subrecipient monitoring. 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 Department of Justice (DOJ) Grants Financial Guide; 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 Montana BCC's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of Montana BCC to provide assurance on its internal control structure as a whole. Montana BCC 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 Montana BCC's internal control structure as a whole, we offer this statement solely for the information and use of Montana BCC and OJP.⁸

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 Montana BCC 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.

⁸ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Montana Board of Crime Control Response to the Draft Audit Report



Montana Board of Crime Control

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Leo Dutton
Sheriff & Coroner,
Lewis & Clark County
Chairperson

Rick Kim
Fort Peck Tribal Member and
Rural Montana Representative
Vice Chairperson

Laurie Barron
Superintendent,
Evergreen School District

Eric Bryson
Executive Director, Montana
Association of Counties

Wyatt English
Unit Supervisor,
Pine Hills Correctional Facility

Shantelle Gaynor
Director, Missoula County
Community Justice

Brian Gootkin
Director, Department of
Corrections

Amanda Littlejohn
DV Program Director,
Rocky Mountain Tribal
Leaders Council

Bryan Lockerby
Administrator, Division of
Criminal Investigation

Beth McLaughlin
Court Administrator

Meaghan Mulcahy
Data Control, Department of
Labor and Industry

Amanda Myers
Assistant U.S. Attorney

Michael Sanders
Chief of Police, East Helena

Brett Schandelson
Director, Office of
State Public Defender

Kaydee Snipes Ruiz
District Court Judge
12th Judicial District

Amy Tenney
Chief Executive Officer, Boyd
Andrew Community Services

Scott Twito
Yellowstone County Attorney

Katie Weston
Deputy Chief, Billings Region
Probation & Parole

May 16, 2024

Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
701 Market Street, Suite 2300
Philadelphia, Pennsylvania 19106
VIA: Electronic Mail at: Thomas.O.Puerzer@usdoj.gov

**RE: Response to Draft OIG Audit Report Recommendations – Audit of the
office of Justice Programs Victim Assistance Grants Awarded to the Montana
Board of Crime Control, Helena, Montana**

Dear Mr. Puerzer:

Please see the following response to the OIG report dated April 26, 2024. The report outlined six recommendations, and each have been responded to and addressed below.

Recommendation #1 Work with Montana BCC to enhance its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.

MBCC concurs with this recommendation and will work to enhance existing policies and procedures for subgrantee monitoring, to include timing and frequency of reviews. MBCC will work to address this recommendation by July 17, 2024.

Recommendation #2 Work with Montana BCC to design and implement a monitoring plan that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.

MBCC concurs with this recommendation and will work to implement a monitoring plan that clearly demonstrates planned and completed activities that will fulfill risk-based monitoring requirements. MBCC will work to address this recommendation by July 31, 2024.

Recommendation #3 Work with Montana BCC to enhance its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the records maintained.

MBCC concurs with this recommendation and will work to enhance policies and procedures pertaining to monitoring visits. Revisions will be made to more clearly

outline what is expected of staff during monitoring visits, including how adequate documentation of the work completed is recorded and retained. MBCC will work to address this recommendation by June 26, 2024.

Recommendation #4 Work with Montana BCC to reassess its existing policies and practices for reviewing subrecipient expenditures to ensure Montana BCC has adequate controls in place for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.

MBCC concurs with this recommendation and will work to reassess existing policies and practices pertaining to the review of subrecipient expenditures has adequate controls in place to ensure approval and allowability. MBCC will work to address this recommendation by June 21, 2024.

Recommendation #5 Work with Montana BCC to enhance its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.

MBCC concurs with this recommendation and will work to enhance existing policies and procedures to address subrecipient single audit report findings, to include management decision letters and corrective action steps. MBCC will work to address this recommendation by July 31, 2024.

Recommendation #6 Work with Montana BCC to enhance its existing policies and procedures to ensure subrecipient PMT data is verified as complete and accurate.

MBCC concurs with this recommendation and will work to enhance existing policies and procedures to ensure that subrecipient PMT data is verified, complete, and accurate. MBCC will work to address this recommendation by June 26, 2024.

Thank you for the opportunity to review and respond on the draft audit report. MBCC will use these recommendations to improve our oversight of VOCA funding.

Sincerely,



Executive Director
Montana Board of Crime Control

APPENDIX 3: 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 22, 2024

MEMORANDUM TO:

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

FROM:

Jeffery A. Haley
Acting Director

A handwritten signature in black ink that reads "Jeffery A. Haley".

SUBJECT:

Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Grants, Awarded to the Montana Board of Crime Control, Helena, Montana*

This memorandum is in reference to your correspondence, dated April 25, 2024, transmitting the above-referenced draft audit report for the Montana Board of Crime Control (Montana BCC). We consider the subject report resolved and request written acceptance of this action from your office.

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

1. **We recommend that OJP work with Montana BCC to enhance its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to enhance existing policies and procedures for subgrantee monitoring, to include timing and frequency of reviews. Montana BCC anticipates that the updated policies and procedures will be completed by July 17, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its written subrecipient monitoring policies and procedures, enhanced and implemented, to ensure that its subrecipient monitoring requirements are clearly defined, measurable, and compliant with the Victims of Crime Act (VOCA) for the timing and frequency of desk reviews and on-site visits.

2. **We recommend that OJP work with Montana BCC to design and implement a monitoring plan that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to implement a monitoring plan that clearly demonstrates how planned and completed activities will fulfill risk-based monitoring requirements. Montana BCC anticipates that the policies and procedures will be completed by July 31, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its monitoring plan, developed and implemented, that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.

3. **We recommend that OJP work with Montana BCC to enhance its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform, and to ensure desk reviews and on-site visits are adequately documented and the records maintained.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to enhance policies and procedures pertaining to monitoring visits, which it stated will more clearly outline what is expected of staff during monitoring visits, including how adequate documentation of the work completed is recorded and retained. Montana BCC anticipates that the updated policies and procedures will be completed by June 16, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to enhance its guidance on the nature and scope of activities monitoring personnel are expected to perform, to ensure desk reviews and on-site visits are adequately documented, and the supporting documentation is maintained for future auditing purposes.

4. **We recommend that OJP work with Montana BCC to reassess its existing policies and practices for reviewing subrecipient expenditures to ensure Montana BCC has adequate controls in place for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to reassess existing policies and practices pertaining to the review of subrecipient expenditures, to ensure adequate controls are in place to ensure expenditures are approved and allowable. Montana BCC anticipates that the updated policies and procedures will be completed by July 31, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure subrecipient expenditures are properly approved, allowable, and adequately supported; and the supporting documentation is maintained for future auditing purposes.

5. **We recommend that OJP work with Montana BCC to enhance its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to enhance existing policies and procedures to address subrecipient single audit report findings, to include management decision letters and appropriate corrective actions. Montana BCC anticipates that the updated policies and procedures will be completed by July 31, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that management decision letters are issued, and appropriate corrective action is taken on related subrecipient single audit report findings.

6. **We recommend that OJP work with Montana BCC to enhance its existing policies and procedures to ensure subrecipient PMT data is verified as complete and accurate.**

OJP agrees with this recommendation. In its response, dated May 16, 2024, Montana BCC stated that it will work to enhance existing policies and procedures, to ensure that subrecipient Performance Management Tool (PMT) data is verified, complete, and accurate. Montana BCC anticipates that the updated policies and procedures will be completed by June 26, 2024.

Accordingly, we will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure subrecipient PMT data is verified as complete and accurate.

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

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

cc: Kristina Rose
Director
Office for Victims of Crime

Katherine Darke Schmitt
Principal Deputy Director
Office for Victims of Crime

James Simonson
Director of Operations, Operations, Budget, and
Performance Management Division
Office for Victims of Crime

Jeffrey Nelson
Deputy Director of Operations, Budget, and
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Willie Bronson
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Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
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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 OCOM000871

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and Montana Board of Crime Control (Montana BCC). OJP's response is incorporated in Appendix 3 and Montana BCC's response is incorporated in Appendix 2 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. Montana BCC concurred with all the recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

1. **Work with Montana BCC to enhance its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated it will coordinate with Montana BCC to obtain a copy of its written subrecipient monitoring policies and procedures, enhanced and implemented, to ensure that its subrecipient monitoring requirements are clearly defined, measurable, and compliant with the Victims of Crime Act (VOCA) for the timing and frequency of desk reviews and on-site visits. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to enhance existing policies and procedures for subrecipient monitoring to include the timing and frequency of review.

This recommendation can be closed when we receive documentation demonstrating that MontanaBCC enhanced its existing policies and procedures to include clearly defined, measurable, and VOCA-compliant subrecipient monitoring requirements for the timing and frequency of desk reviews and on-site visits.

2. **Work with Montana BCC to design and implement a monitoring plan that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated it would coordinate with Montana BCC to obtain a copy of its monitoring plan, developed and implemented, that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to implement a monitoring plan that clearly demonstrates planned and completed activities that will fulfill risk-based monitoring requirements.

This recommendation can be closed when we receive documentation showing Montana BCC designed and implemented a monitoring plan that clearly demonstrates how planned and completed activities will fulfill its risk-based monitoring requirements.

3. **Work with Montana BCC to enhance its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the records maintained.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated it will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to enhance its guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the supporting documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to enhance policies and procedures pertaining to monitoring visits, including revisions that outline more clearly what is expected of staff during monitoring visits including how documentation of the work completed is recorded and retained.

This recommendation can be closed when we receive documentation demonstrating Montana BCC enhanced its existing policies and procedures to provide substantive guidance on the nature and scope of activities monitoring personnel are expected to perform and to ensure desk reviews and on-site visits are adequately documented and the records maintained.

4. **Work with Montana BCC to reassess its existing policies and practices for reviewing subrecipient expenditures to ensure Montana BCC has adequate controls in place for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated that it will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure subrecipient expenditures are properly approved, allowable, and adequately supported, and the supporting documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to reassess existing policies and practices pertaining to the review of subrecipient expenditures to ensure it has adequate controls in place to ensure approval and allowability.

This recommendation can be closed when we receive documentation demonstrating Montana BCC reassessed its existing policies and practices for reviewing subrecipient expenditures and, as appropriate, implemented adequate controls for the review of subrecipient expenditures to ensure they are properly approved, allowable, and adequately supported.

5. **Work with Montana BCC to enhance its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated it will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure that management decision letters are issued, and appropriate corrective action is taken on related subrecipient single audit report findings. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to enhance existing policies and procedures to address subrecipient single audit report findings, to include management decision letters and corrective action steps.

This recommendation can be closed when we receive documentation demonstrating Montana BCC enhanced its existing policies and procedures to address the issuance of management decision letters and ensure corrective action is taken on related subrecipient single audit report findings.

6. **Work with Montana BCC to enhance its existing policies and procedures to ensure subrecipient Performance Measurement Tool (PMT) data is verified as complete and accurate.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated it will coordinate with Montana BCC to obtain a copy of its written policies and procedures, developed and implemented, to ensure subrecipient PMT data is verified as complete and accurate. As a result, this recommendation is resolved.

Montana BCC stated that it concurred with the recommendation and will work to enhance existing policies and procedures to ensure that subrecipient PMT data is verified, complete, and accurate.

This recommendation can be closed when we receive documentation demonstrating Montana BCC enhanced its existing policies and procedures to ensure subrecipient PMT data is verified as complete and accurate.