



Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Justice Programs
Victim Assistance Grants Awarded to
the Louisiana Commission on Law
Enforcement, Baton Rouge, Louisiana**



Executive Summary

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Louisiana Commission on Law Enforcement, Baton Rouge, Louisiana

Objective

The objective of the audit was to evaluate how the Louisiana Commission on Law Enforcement (LCLE) 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 the LCLE used its VOCA funding to provide services to crime victims throughout the state. This audit did not identify significant concerns regarding the LCLE's compliance with VOCA drawdowns, matching requirements, and submitting timely and accurate Federal Financial Reports. However, we identified concerns with the LCLE's annual performance reporting, methods for allocating payroll costs to VOCA grants, and subrecipient monitoring. Specifically, we found that the LCLE did not always ensure the accuracy of the information provided by subrecipients, which is used to complete the annual performance reports. The LCLE provided reimbursements to subrecipients and districts for unsupported expenditures totaling \$28,811. We identified \$85,508 in questioned costs related to administrative expenditures. The LCLE also did not ensure that each district office staff adhered to its monitoring policy.

Recommendations

Our report contains 13 recommendations for the Office of Justice Programs (OJP) to assist the LCLE in improving its grant management and administration and to remedy questioned costs. We requested a response to our draft report from OJP and the state, which can be found in appendices 4 and 3, respectively. Our analysis of those response is included as Appendix 5.

Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four Victims of Crime Act (VOCA) victim assistance formula grants awarded by OJP, Office for Victims of Crime (OVC) to the LCLE in Baton Rouge, Louisiana. The OVC awarded these formula grants, totaling \$93,552,374 from Fiscal Years (FY) 2014 to 2017, from the Crime Victims Fund (CVF) to enhance crime victim services throughout Louisiana. As of January 2019, the LCLE drew down a cumulative amount of \$58,283,906 for all of the grants we reviewed.

Grant Program Planning and Execution – The LCLE distributed its VOCA funding to its subrecipients and increased victim services throughout the state of Louisiana. The LCLE adequately communicated VOCA requirements to its subrecipients.

Program Requirements and Performance Reporting – The LCLE complied with VOCA grant priority funding requirements. However, the lack of a standardized approach to subrecipient performance reporting resulted in program performance data being unreliable.

Grant Financial Management – The LCLE lacked adequate written policies and procedures governing its grant management practices. One subrecipient reimbursement requests did not include adequate supporting documentation for expenditures totaling \$28,811. Grant expenditures included unsupported administrative costs for payroll (\$81,982) and unallowable and unsupported district office expenditures (\$3,526).

Monitoring of Subrecipients – The LCLE did not provide adequate training to its districts and subrecipients on its grant management system. District office staff did not comply with the LCLE-established monitoring policy and procedures, but were on track to meet the VOCA requirement for frequency of monitoring. Improvements are needed to the LCLE monitoring policies to ensure district office staff are ensuring subrecipients comply with LCLE grant management requirement.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS
AWARDED TO THE
LOUISIANA COMMISSION ON LAW ENFORCEMENT,
BATON ROUGE, LOUISIANA**

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Louisiana Commission on Law Enforcement (LCLE) in Baton Rouge, Louisiana. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from Fiscal Years (FY) 2014 through 2017, these OVC grants, totaled \$93,552,374.

**Table 1
Audited Grants
Fiscal Years 2014 – 2017**

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2014-VA-GX-0045	09/15/2014	10/01/2013	09/30/2017	\$ 6,693,722
2015-VA-GX-0003	07/16/2015	10/01/2014	09/30/2018	28,327,109
2016-VA-GX-0074	09/02/2016	10/01/2015	09/30/2019	31,976,052
2017-VA-GX-0055	09/28/2017	10/01/2016	09/30/2020	26,555,491
Total:				\$ 93,552,374

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

Source: OJP

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).

In FY 2015, Congress significantly raised the previous year’s cap on CVF disbursements, which more than quadrupled the available funding for victim assistance grants from \$455.8 million to \$1.96 billion. In FY 2016, Congress raised the cap again, increasing the available funding for victim assistance to \$2.22 billion. The OVC allocates the annual victim assistance program awards based on the

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

amount available for victim assistance each year and the states' population. The annual VOCA victim assistance grant funds available to the LCLE increased from \$6.7 million in FY 2014 to \$26.6 million in FY 2017.

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 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 primary and secondary 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 Louisiana state administering agency, the LCLE is responsible for administering the VOCA victim assistance program. The mission of the LCLE is to improve the operations of the criminal justice and juvenile justice system and promote public safety by providing leadership and coordination within the criminal justice community. The agency seeks to provide a forum for all elements of the criminal justice system to come together in a common cause and to develop multi-agency programs that serve the needs of a wide range of criminal justice organizations.

The LCLE's program management structure for its VOCA administration consists of eight district planning councils (district office) that process funding applications and monitor subrecipients.² Each district office has a district manager who works with the program management staff of parishes to identify VOCA-eligible non-profits, law enforcement agencies, and district attorney offices that will receive funding to provide victim services.³ LCLE management believes that decisions regarding the needs for local areas are best made on a local or district level rather than at the state level. Each district receives funding based on its crime rate and other factors, with adjustments allowed for rural districts that lack sufficient funds for needed programs. The eight district offices select subrecipients for VOCA funding by reviewing their project plans. Each district manager annually completes and submits to the LCLE for review and approval a proposed allocation of funds to subrecipients.

The state also provides VOCA funding to an additional district that the LCLE manages. This district includes state-level projects located throughout the state that provide direct services to victims within and outside of their jurisdictional

² Each district office received a portion of the 5 percent administrative costs provided to LCLE, which is discussed in the Administrative Expenditures section of this report.

³ Louisiana is divided into 64 parishes in the same manner that other states are divided into counties.

service areas. The LCLE performs the administrative and monitoring duties for this district.

OIG Audit Approach

The objective of the audit was to evaluate how the Louisiana Commission on Law Enforcement 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 (VOCA Guidelines), and the OJP Financial Guide and DOJ Grants Financial Guide (Financial Guide) as our primary criteria.⁴ We reviewed relevant LCLE policy and procedures and interviewed LCLE personnel to determine how they administered the VOCA funds. We also interviewed subrecipient personnel and reviewed LCLE and subrecipient records reflecting grant activity.⁵

⁴ The OJP Financial Guide governs the FY 2014 grant in our audit scope, while the revised DOJ Grants Financial Guide applies to the FYs 2015, 2016, and 2017 awards.

⁵ Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. The LCLE distributes funding to organizations that provide direct services to victims, such as rape treatment centers, domestic violence shelters, centers for missing children, and other community-based victim coalitions and support organizations. As the state administering agency, the LCLE has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies give priority to victims of sexual assault, domestic abuse, and child abuse. State administering agencies must also make funding available for previously underserved populations of violent crime victims.⁶ As long as a state administering agency 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 the LCLE's overall plan to allocate and award the victim assistance funding. We reviewed how the LCLE planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that the LCLE appropriately identified and planned to meet additional victim service needs with its increased FY 2015 funding. However, as detailed in the Drawdown section of this report, the LCLE notified OJP that \$831,850 in FY 2015 victim assistance funds initially allocated to subrecipients were not used before the project period end date. With the FY 2015 increase, the LCLE received about \$21.6 million more in VOCA funds than in FY 2014. We believe the LCLE took steps to responsibly expand its victim assistance program and do not take exception to the funds reported as unobligated to OJP. We also did not identify any issues with its process to select subrecipients and found that the LCLE adequately communicated to its subrecipients applicable VOCA requirements.

Subaward Allocation Plan

Each district and state-level program receives a share of the victim assistance award based on a formula, devised and approved by the Commission, which is the governing body of the LCLE, taking into consideration population, crime statistics, and criminal justice staffing.⁷ The district offices are responsible for

⁶ 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.

⁷ The Commission is appointed by the governor and its members consist of representatives from criminal justice and law enforcement agencies.

advertising the availability of funding, soliciting projects, and presenting all proposals to the LCLE along with funding recommendations. The LCLE makes funding decisions and issues subawards.

In response to the significant funding increase, the OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required that state and territory applicants submit a subrecipient funding plan. To comply with this requirement, the LCLE submitted a funding plan that detailed efforts to identify additional victim service needs and strategies to spend the increased VOCA funding. For the 2015 grant awards, the LCLE planned for the district offices to reach out within each district to identify additional service needs that could be funded. The LCLE also used the increased grant funds to add new service providers and increased the award amounts for existing subrecipients throughout the state. The increase in the number of subrecipients and victims serviced is discussed in the Annual Performance Reports section of this report.

The LCLE conducted needs assessments by participating in quarterly meetings with district managers to determine the services needed throughout the state and discuss how VOCA funds could best be used within the state. LCLE officials told us that in-person conversations yield better results in identifying victim service providers and new initiatives because the district office staff communicate often with the residents in their regions and have better insight regarding their district's needs. The LCLE also relies on the district offices' staff to identify and reach out to the underserved populations. The LCLE provides the district office staff with VOCA guidance for identifying underserved victims. For state-level projects, the LCLE receives and reviews proposals from applicants that provide direct services to victims beyond the boundaries of a single district area. Based on these efforts, the LCLE subawarded all of the FYs 2014, 2015, and 2016 grants funds available for victim service providers, although for FY 2015 the subrecipients returned \$831,850 that they ultimately did not spend.

LCLE officials told us that as of December 10, 2018, they hired a new VOCA Program Manager to be responsible for distributing a formal needs assessment to criminal justice agencies and nonprofit victim service providers throughout the state. The needs assessment will be used to help identify underserved populations and gaps in needed services.

Subaward Selection Process

To assess how the LCLE grants its subawards, we identified the steps that the LCLE took to inform, evaluate, and select subrecipients for VOCA funding. The LCLE uses an approved formula to allocate funding to the eight districts along with the state-level programs. The LCLE also posts on its website a notice of funding opportunity and instructions for applicants to submit funding proposals to either their respective district office or directly to the LCLE for state-level projects.

Potential subrecipients submit to a district office or, for state-level awards, directly to the LCLE, a document called a notice of intent, which describes the intended use of the award funds. The office receiving the notice of intent conducts

an initial risk assessment to determine the eligibility of the applicant and score the applicant's grant management capability. District offices provide reviewed and scored funding requests to the LCLE. The LCLE staff work with the Victims Advisory Board to select applicants and provide proposed awards to the Commission members for approval.⁸

The LCLE creates funding announcements in its grant management system to notify applicants of the available funding.⁹ The approved applicants apply for the allocated funding. The LCLE completes an additional risk assessment to ensure subrecipients comply with federal registration requirements, the Louisiana Office of Statewide Reporting accounting policy, and Secretary of State annual financial reporting requirements. Applicants' budgets and program narratives are also reviewed to ensure compliance with VOCA Guidelines. Next, completed and approved applications are submitted to the Victim Advisory Board and the Commission members for final approval. Upon approval, the LCLE then awards funds to subrecipients.

We found that in response to the significant funding increase beginning in FY 2015, the LCLE increased its subaward project periods from 12 to 18 months. LCLE officials told us they met with all direct service providers to share the amounts provided through the funding increase and encourage new initiatives.

As of April 2018, we found that the LCLE had made subawards to 113 funded projects with FY 2014 award funds, 202 funded projects with FY 2015 award funds, and 193 funded projects with FY 2016 award funds.¹⁰ The number of funded projects increased by 89 in FY 2015 and in FY 2016 funded projects decreased by 9. The LCLE grant manager told us the decrease in the number of subawards in FY 2016 occurred because some subrecipient projects that received funding in FY 2015 withdrew from the program, and some of the established subrecipient projects were provided larger awards in FY 2016 to expand their programs.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed three subaward solicitations and documentation for six subawards to determine how the grantee communicated its subaward requirements and conveyed the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements to potential applicants. The subaward documentation included budget details, along with certified assurances and a certificate of compliance signed by subrecipient officials accepting all VOCA

⁸ The Victims Service Advisory Board consists of coalition members, law enforcement agencies, and nonprofits. Each member is appointed by the Commission.

⁹ LCLE maintains all grant files through an online database used to receive subrecipient applications, collect supporting documentation, and communicate with subrecipients.

¹⁰ The LCLE awarded grant funds to the same organizations but for different projects. At the time of our testing, the LCLE had not awarded FY 2017 funding, and those funds are not included in this discussion.

requirements and grant special conditions. We found that the LCLE adequately communicated to its subrecipients the applicable VOCA requirements.

Program Requirements and Performance Reporting

To determine whether the LCLE distributed VOCA victim assistance program funds to enhance crime victim services, we reviewed the LCLE's distribution of grant funding via subawards among local direct service providers. We also reviewed the LCLE's performance measures and performance documents used to track goals and objectives. We further examined OVC solicitations and award documents and verified the LCLE's compliance with special conditions governing recipient award activity.

Based on our assessment in the areas of program requirements and performance reporting, as discussed below we believe that the LCLE: (1) fulfilled the distribution requirements to priority victim groups, (2) did not implement adequate procedures to compile annual performance reports, and (3) complied with additional tested special conditions.

Priority Areas Funding Requirement

The VOCA Guidelines require that the LCLE 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 state administering agency the latitude for determining the method for identifying previously underserved crime victims.¹¹ The LCLE uses the VOCA Guidelines and also relies on the discretion of each district manager to assist subrecipients in identifying their underserved population. LCLE officials told us underserved victims may differ between jurisdictions. They also provided some examples of the underserved populations identified by their jurisdictions that included, but are not limited to, victims of drunk drivers, survivors of homicide victims, victims of physical assaults, and child victims of sex trafficking. As discussed above for the subaward allocation plans, the LCLE also relies on the district offices staff to identify and reach out to the underserved populations. For example, a district official told us that the district's boards, which are comprised of law enforcement, criminal and juvenile justice agencies, and local government, partner and collaborate to identify problems and needs within the community.

We examined how the LCLE allocated VOCA subawards to gauge whether it was on track to meet the program's priority areas distribution requirements. We found that LCLE required applicants to provide detailed information for all purpose areas of their projects. The LCLE staff track each purpose area during the project period to ensure that funds are allocated in the priority areas. With each new subaward year, the LCLE updates the tracking based on any changes to each

¹¹ Methods for identifying previously underserved victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

project's goals within the priority areas. We reviewed each of these processes and determined that the LCLE adequately tracked subawards for these requirements.

Annual Performance Reports

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The OVC requires states to upload reports annually to its Grants Management System. As of FY 2016, the OVC also began requiring states to submit performance data through the web-based Performance Measurement Tool (PMT). With this system, states may provide subrecipients direct access to report quarterly data for state review, although the OVC still requires that if the subrecipient completes the performance measure data entry directly, the state must approve the data.

For the victim assistance program grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. The LCLE submitted annual performance reports to the OVC for victim assistance grants awarded for FYs 2014, 2015, and 2016. We discussed with LCLE officials how performance report data is obtained from their subrecipients. According to the LCLE officials, each subrecipient is responsible for submitting, in both the LCLE's grant management system and PMT, progress reports based on the data recorded in its recordkeeping system to track project outcomes. LCLE officials told us that they use the data provided by the subrecipients in LCLE's grant management system and PMT to assess progress and prepare the annual performance reports. LCLE officials told us that the data is verified during on-site monitoring visits performed by LCLE and district office staff.

To assess the accuracy of the annual performance reports, we selected and reviewed the most recent performance report submitted by the LCLE and compared the reports to grant documentation provided to us by the LCLE. The supporting documentation consisted of electronic spreadsheets summarizing subrecipient data. The LCLE's reported numbers of funded projects, which were 113 for FY 2014, 202 for FY 2015, and 193 for FY 2016, matched to the documentation provided. However, as noted in the Monitoring of Subrecipients section, we identified concerns regarding the numbers of victims reported.

We attempted to determine the effect the CVF funding increase had on the number of victims served during FYs 2015 and 2016. As shown in Table 2, LCLE reported significant fluctuation in victims served between FYs 2014 and 2016.

Table 2
VOCA Victim Assistance Program Grants
Number of Victims Served in
Annual State Performance Reports
FYs 2014 through 2016

Fiscal Year Reporting	Number of Victims Served as Reported
2014	79,634
2015	135,892
2016	75,388

Source: OJP and LCLE

The LCLE reported a 71 percent increase in victims served in FY 2015. However, the number of victims served in FY 2016 decreased by 45 percent. LCLE officials told us that its annual performance reports are compiled from subrecipients' quarterly reports submitted for the period of October 1 through September 30 of each fiscal year. LCLE officials said:

Subrecipients receiving an award from each year's federal funds will not all be awarded with the same start and end dates. Annual performance reports are the result of quarterly reports for the period of October 1 through September 30 each year. Subrecipients reporting in the system will be reporting for their project period funded from various funding years and various project periods. Therefore, there will be fluctuations in the reported number of subrecipients and number of victims served.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the LCLE certified it would comply with these special conditions. We reviewed the special conditions for the FYs 2014 through 2016 VOCA victim assistance program grants and identified two special conditions that we deemed significant to grant performance that are not otherwise addressed in another section of the report. For the victim assistance grants, the states must report to the OVC a Subgrant Award Report (SAR) with basic information on every subrecipient that receives victim assistance funds. For the grants reviewed, we compared the SARs, as of May 31, 2018, with LCLE's supporting documentation. The LCLE reported to OVC that a total of 510 subawards were made during the audit period. We compared the numbers reported to the OVC and verified the LCLE reported its subrecipients accurately. The LCLE was in compliance with this special condition.

We also tested a special condition related to prohibitions against non-disclosure agreements. We asked LCLE staff if they were required to sign non-disclosure agreements or any other documents restricting their ability to report

waste, fraud, and abuse. We were told this was not asked of them. We did not identify any areas of non-compliance with the special conditions tested.

Grant Financial Management

Award recipients must establish and maintain an adequate accounting system and financial records that accurately account for awarded funds. To assess the adequacy of the LCLE's financial management of the VOCA grants, we reviewed the LCLE's process for administering these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate LCLE's financial management of the VOCA grants, we also reviewed the state of Louisiana's Single Audit Reports. We completed this review for FYs 2014 to 2016 and identified no significant deficiencies or material weaknesses specifically related to the LCLE. We also interviewed LCLE personnel who were responsible for the financial aspects of the grants, reviewed LCLE written policies and procedures, inspected award documents, and reviewed financial records.

We analyzed the LCLE's policies and procedures and found that the LCLE fiscal policies and procedures were not sufficiently detailed to ensure that grant management practices could be followed by new LCLE staff. With detailed instructions for completing duties and responsibilities, a new hire would have the tools needed to adequately perform grant management duties. These procedures should include detailed instructions for performing grant financial management duties and responsibilities. Such duties and responsibilities include payroll processes and requirements for supporting expenditures for which we discuss our concerns later in this report. As an example of these problems, during our discussions with subrecipients we were told that a previous LCLE staff member approved an expenditure as being allowable. However, when the LCLE staff member moved to a different position and was replaced, the replacement staff member determined that the same expenditure was unallowable. The subrecipient did not receive reimbursement for the expenditure. This example illustrates that having a sufficiently detailed set of procedures could help eliminate any misunderstandings among the LCLE staff.

An LCLE official also told us they believe guidance on how to perform individual tasks regarding subrecipient reimbursements (from initial application to final close-outs), reimbursement processing, and reviews of allowable costs involved are documented in detail for each part of the grant process. These individual tasks are documented in as much detail as possible for common or recurring situations, but with nearly 400 individual projects, some situations are unique and unusual. The official expressed concern that it would be difficult to document every scenario and, consequently, some tasks are handled on a case-by-case basis.

We also discussed with the LCLE official our concerns with the LCLE's payroll allocation procedures. The LCLE did not maintain written procedures for the adjustments made to the percentages for allocating payroll to VOCA grants. Our Administrative Expenditure section for this report discusses our concerns with the

LACLE's practices for allocating payroll cost. The official also told us that as of January 4, 2019, the fiscal department was in the process of updating the payroll allocation process into a step-by-step protocol to be placed in an employee manual. This was intended to allow new fiscal employees to become familiar with each procedural detail involved in preparing the payroll allocation. Based on our testing results, we believe the LACLE procedures should include sufficient instructions to support the basis for its adjustments to the payroll allocation percentages. We recommend that OJP ensure that the LACLE establishes and implements detailed procedures for establishing the basis for the allocation of payroll costs. The official also said that all tasks for each part of the grant process were, as of January 4, 2019, being compiled into an employee handbook for agency personnel as well as new employees. In addition, the official said that current and new employees have access to a folder on the agency's shared computer drive that has instructions for many of the tasks performed in the LACLE's grants management system by both grants and program staff.

We believe that completion of the employee handbook reported to be in development could address the concerns we identified regarding the need for more detailed procedures. We recommend that OJP ensure that the LACLE develops and implements the employee handbook to provide detailed financial management policies and procedures to improve its practices for new hires.

Grant Expenditures

State administering agency 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 determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions from each of these categories by reviewing accounting records and verifying support for select transactions.

Subaward Expenditures

Subrecipients submit quarterly request for payment through LACLE's grant management system. The LACLE generally requires its subrecipients to provide all supporting documentation for 1 quarter during the 18-month subaward period. According to the LACLE, subrecipients with a history of recurring problems are required to submit supporting documentation more than once during the subaward period. The LACLE staff reviews the supporting documentation provided to ensure that all expenditures are allowable and supported. LACLE managers told us that the LACLE staff does not review documentation for every quarterly request because they lack sufficient time for such reviews. As of May 2018, the LACLE paid a total of \$38,877,277 to its subrecipients with the VOCA victim assistance program funds included in our audit scope.

We evaluated the LCLE's financial controls over VOCA victim assistance grant expenditures by reviewing a sample of subrecipients' transactions totaling \$741,976. We tested whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines. The transactions we reviewed included costs in the following categories: (1) personnel, (2) fringe, (3) travel, (4) contracts and consultants, (5) supplies, (6) equipment, (7) training, and (8) operating costs.

During our site visits to the subrecipients, we identified unsupported payroll and fringe expenditures from one subrecipient totaling \$28,811. Our concerns with the LCLE's monitoring practices, including monitoring of expenditures, are discussed in the Monitoring of Subrecipients section of this report. We recommend that OJP remedy the \$28,811 in unsupported subaward expenditures for Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216).

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim assistance program and for training. For the victim assistance grant program, we tested the LCLE's compliance with the 5 percent limit on the administrative category of expenses by comparing the total administrative expenditures in their general ledger to the total award amount for each grant. We determined that the state complied with the 5 percent administrative requirement. In addition to testing the LCLE's compliance with the 5 percent administrative allowance, we also tested a sample of these administrative transactions. The LCLE uses administrative costs for non-personnel, personnel, and training costs. The LCLE also allocates money to the district offices for the purpose of performing its VOCA administrative duties and subrecipient monitoring. Before the increase in VOCA funding in FY 2015, the LCLE allocated up to \$7,000 to the district offices. Subsequent to the increase, the amount has increased up to a \$25,000 allowance for the district offices.

As of December 11, 2018, the LCLE had expended administrative funds as follows: \$267,879 from the FY 2014 grant, \$1,344,946 from the FY 2015 grant, and \$1,403,565 from the FY 2016 grant.

We judgmentally selected 86 transactions, totaling \$54,418 for non-payroll related administrative expenditures charged to the awards reviewed. We selected expenditures for travel, rentals, equipment, and supplies. We reviewed the supporting documentation and determined that the non-payroll related administrative expenditures selected for review were accurately supported.

For each grant, we also selected a sample of 279 payroll transactions totaling \$116,817 for 2 non-consecutive pay periods per grant, for a total of 6 pay periods tested. As discussed below, the allocation of time to victim assistance administrative expenses is based on methods that vary by type of employee and the number of federal programs on which each employee works. As discussed below, the LCLE employs a complex system for allocating portions of its payroll costs.

LACLE's program staff function as grant managers responsible for overseeing all monitoring efforts throughout the federal funding period. These staff members may work solely on the VOCA grants or on a combination of VOCA and other federal programs. If the program staff work solely on VOCA grants, 100 percent of their time is charged to victim assistance administrative funds. If they work on multiple grants, their time is allocated among the various programs and a portion of the time is charged to the victim assistance administrative funds. We reviewed the program staff allocations of time and found the allocations to be properly supported.

Three other categories of LACLE staff are referred to as administrative, grant, and fiscal. These staff members include leadership positions and persons who provide various types of programmatic and fiscal support for all of the LACLE's federal programs, to include non-victim assistance programs.

To support the allocation of payroll costs (salary and fringe benefits) for administrative staff, the LACLE requires each employee to track the number of hours spent on each federal program during each quarter. Those hours are totaled by program and a percentage of total hours is calculated for each program. The LACLE then identifies the eight programs with the highest calculated percentages and adjusts the percentage for each program based on what is referred to as its "means of financing." This adjustment is based on the LACLE's assessment of how much money is available from the budget of each federal program to cover administrative costs. Consequently, the final percentage of time to be charged to the victim assistance administrative expenses may be increased or decreased based on the availability of the administrative funds. Once this "means of financing" adjustment is made, the final percentages are identified for allocating the payroll cost for administrative staff. The actual allocation for each quarter is based on the percentages identified for the prior quarter.

To support the allocation of payroll costs for grant and fiscal staff, the LACLE tracks activities performed on each federal program for each quarter. Grant staff activities are tracked in the LACLE's grant management system and fiscal staff activities are tracked in the accounting system. Based on these activities, percentages are calculated and adjusted using the same process described above for administrative staff.

We tested the payroll documents used as the initial basis for the allocation of administrative, grant, and fiscal staff costs. We found that those records were complete, accurate, and properly approved. We then sought to verify the allocations of payroll costs for administrative, grant, and fiscal staff to the victim assistance administrative funds, but we were unable to do so. This was because the LACLE did not maintain written procedures and sufficient documentation to support the "means of financing" adjustments to the allocation percentages. We requested documentation to support these adjustments and interviewed LACLE staff regarding the adjustments. The documentation provided supported the adjustments made but not the basis for the adjustments. VOCA Guidelines state that if the staff person has other functions, the proportion of their time spent on VOCA programs must be documented. Also, where allowable administrative costs

for both victim assistance and other state programs are allocated, the VOCA grant may be charged no more than its proportionate share of such costs. During our interviews, LCLE officials made verbal representations regarding the basis for the final adjustments to the allocation percentages, but we were unable to verify those representations. Consequently, we question the \$81,982 in salary costs tested for the three staff categories. This includes \$32,870 for administrative staff, \$21,878 for grant staff, and \$27,234 for fiscal staff for whom the cost allocations were not properly supported. We recommend that OJP remedy the \$81,982 in unsupported administrative costs for Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867).

LCLE provides the district offices a portion of the 5 percent administrative funds to perform subrecipient monitoring. As with subaward expenses, the LCLE requires the district offices to submit support for administrative expenses for only 1 quarter per year. To complete our tests, we requested that the LCLE obtain, from the district offices, the support for all administrative expenses incurred for the 2014, 2015, and 2016 grants. We reviewed and tested all district office expenses, totaling \$295,249 for those grants. We identified questioned costs totaling \$3,526, of which \$2,305 was unsupported because of missing documentation, and the remaining \$1,221 was unallowable because a district received reimbursement for a retired employees accrued vacations hours. The individual unsupported transactions consisted of costs for payroll, supplies, and operating expenses, which varied in value from \$10 to \$1,458. The LCLE paid the district offices' reimbursement requests without adequate documentation to support the expenses claimed. This problem results in part from the LCLE practice of obtaining support documentation for only 1 quarter each year. We believe that the LCLE should more extensively review the districts reimbursement requests to ensure proper oversight of the VOCA funds used by the district offices. We recommend that OJP remedy the \$2,305 in unsupported and \$1,221 in unallowable district administrative expenditures for Grant Number 2015-VA-GX-0003. We also recommend that OJP ensure the LCLE increases its oversight of district office administrative expenses.

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 disbursements or reimbursements made immediately or within 10 days. VOCA grant funds are available for the fiscal year of the award plus 3 additional fiscal years. To assess whether the LCLE managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the LCLE's accounting system and accompanying financial records.

For the VOCA victim assistance awards, the LCLE determines the grant funds to draw down based on its accounting system records of expenditures paid and pending payment. Drawdowns are requested weekly for expenditures included in the accounting system and for those that have been entered into the grant management system but not posted to the accounting system. Table 3 shows the total amount drawn down for each grant as of January 8, 2019.

Table 3
Amount Drawn Down for Each Grant as of January 8, 2019

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2014-VA-GX-0045	\$6,693,722	09/30/2017	\$6,693,722	\$0
2015-VA-GX-0003	\$28,327,109	09/30/2018	\$27,495,259	\$831,850
2016-VA-GX-0074	\$31,976,052	09/30/2019	\$23,444,259	\$8,531,793
2017-VA-GX-0055	\$26,555,491	09/30/2020	\$650,666	\$25,904,825
Total:	\$93,552,374		\$58,283,906	\$35,268,468

Source: OJP and OIG

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to individual expenditures as described in the Grant Expenditure section above, which would affect the supportability of some accounting records used for drawdown request.

To verify the accuracy of the drawdowns for closed grants, we compared the total awards for each grant to the total amounts drawn. Grant Number 2014-VA-GX-0045 closed out on December 30, 2017, and the total award equaled the total drawn down. Grant Number 2015-VA-GX-0003 closed as of September 30, 2018, and the LCLE had until December 29, 2018, to complete all drawdowns of grant funds. The LCLE submitted its final Federal Financial Report (FFR) on December 20, 2018, with \$831,850 as the unobligated balance of federal funds. An LCLE official told us the remaining balance resulted from money returned by subrecipients during the FY 2015 subaward closeouts. These subawards were active until June 30, 2018 and there was not enough time to identify other projects to fund prior to the end date of September 30, 2018. OJP plans to close out and deobligate the remaining grant balance upon the completion of this audit, consequently we make no recommendation.

As shown in Table 3, the LCLE had a substantial balance of funds not yet drawn for the 2016 and 2017 grants. We determined that the LCLE used all of the 2016 funds for subawards, allowable direct service projects, and administrative and training costs. For the FY 2017 grant, as of January 30, 2019, the LCLE provided subawards to 31 of 192 applicants. Given the significant portion of the 2015 funds that were not used by subrecipients, we discussed with LCLE officials how they were monitoring subrecipient use of the funds for 2016 and 2017 to ensure that the funds were either expended or returned more timely for use by other subrecipients. The official told us that subaward balances are tracked in their grant management system and reviewed to determine the status of subrecipients' spending. When there are balances remaining, the funds are returned to the LCLE and allocated to

other projects. Subrecipients receive guidance for managing their projects; however, because of unforeseen circumstances funds may remain unspent at the end date of the project.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project costs. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding sources to help ensure future sustainability. Match contributions must come from non-federal sources and can be either cash or an in-kind match.¹² VOCA Guidelines state that any deviation from this policy requires OVC approval. The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.

The LCLE requires that their subrecipients meet a 20 percent match requirement by the end of each subaward period. We tested the subrecipient match for Grant Number 2014-VA-GX-0045. Five of the nine subrecipients selected for transaction testing received subawards from Grant Number 2014-VA-GX-0045. We found these subrecipients met the total 20 percent match requirement.

Financial Reporting

According to the Financial Guides, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the LCLE submitted accurate Federal Financial Reports (FFRs), we compared the four most recent reports for the FYs 2014, 2015, and 2016 grants to LCLE documentation.

We identified no significant errors with the accuracy of the reporting of the FFRs. However, we identified deficiencies and questioned costs related to individual expenditures as described in the Grant Expenditure section above, which would affect the supportability of some accounting records used to support the FFRs.

Monitoring of Subrecipients

According to the Financial Guides, 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 LCLE must develop policies and procedures to monitor subrecipients. To assess the adequacy of the LCLE's monitoring of its VOCA subrecipients, we interviewed LCLE personnel, identified LCLE monitoring procedures, and obtained records of interactions between the LCLE and its subrecipients. We also conducted site visits at 14 locations that consisted of 5 district offices and 9 subrecipients located within the districts. During the site visits, we interviewed personnel, toured

¹² In-kind matches 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.

facilities, and reviewed accounting and performance records. We spoke with subrecipient officials about the support received from the LCLE and their district offices. The subrecipient officials told us that they received adequate support from both the LCLE and their district managers.

The LCLE's policies require it to perform an onsite monitoring visit for each subrecipient within 210 days after the start of each subaward. If monitoring staff are unable to conduct onsite visits, a desk audit can be performed by telephone. However, desk audits can be used to replace an onsite visit once every 3 years. As of August 2016, VOCA Guidelines required state administering agencies to conduct onsite monitoring of all subrecipients at least once every 2 years during the award period.

We found that the district offices did not adhere to the LCLE's monitoring policy. Although the district offices appear to be on track to meet VOCA monitoring guidelines, the LCLE should regularly assess its monitoring schedules to ensure the districts are monitoring subrecipients in accordance with the LCLE's own established guidelines. For the FY 2014 grant awards, 76 of 113 funded projects received a monitoring visit more than 210 days after the award start. For the FY 2015 grant awards, 142 of 202 funded projects received a monitoring visit more than 210 days after the award start. For the FY 2016 grant awards, 74 of 193 funded projects received a monitoring visit more than 210 days after the award start.

We asked LCLE officials to provide an explanation why this occurred. LCLE officials told us they provide a schedule to the district offices for monitoring based on the planned project's start date. However, different circumstances may delay the project start date and affect the timeliness of the scheduled monitoring. We also asked LCLE officials how the LCLE was affected by the late submission of monitoring reports, and if any consequences occurred for the district offices for not adhering to the monitoring policy. The LCLE officials told us that late submissions cause delays in closing out individual subaward projects. LCLE officials also told us they are in constant communication with the district offices to discuss monitoring visits that are not completed timely, and that they do not impose any consequences on district offices. Because the LCLE relies on the district offices to perform the monitoring of its subrecipients, more oversight should be placed on the district offices to ensure subrecipients are monitored in accordance with its established policy. The LCLE should perform routine reviews of the district offices' progress for accomplishing its monitoring schedules to ensure the subrecipients are adhering to VOCA requirements. An LCLE official told us the LCLE will continue to work closely with district offices to ensure timely monitoring reviews are being completed. The district offices will be provided templates to be used as a tracking tool for monitoring projects. The LCLE plans to follow up routinely with district staff to ensure that the tracking procedures are being followed. We recommend that OJP ensure the LCLE performs routine assessment of the monitoring schedules provided to the district offices to ensure subrecipients are monitored in accordance with its policy.

We also determined that LCLE needs to provide the district offices and subrecipients with ongoing training for the LCLE grant management system to ensure the tools and resources are available to adequately monitor subrecipients and manage subawards. Staff in three of the five district offices we visited told us that an introductory training was offered for the system but no additional training has been provided. District office staff also stated they researched new VOCA requirements on their own. An LCLE official told us that they will work with district offices and subrecipients to plan periodic training. We recommend that OJP ensure that the LCLE district office staff and subrecipients receive training on the use of the LCLE's grant management system. We also recommend that OJP ensure the LCLE establishes and implements a plan for training and updating district office staff on new VOCA requirements.

Financial Monitoring

The LCLE allows its subrecipients to choose whether to submit its fiscal reports quarterly or monthly through LCLE's grant management system. LCLE staff review the subrecipient fiscal reports for accuracy and compliance with funding requirements. To test the fiscal reports, district office staff compare total reported expenditures by category type to the project's budget for each category type. Subrecipients are always required to submit supporting documentation for travel and equipment. Subrecipients are also required to submit supporting documentation for all cost categories at least 1 quarter during the subaward period. LCLE selects the period for which the detail is required and notifies each subrecipient in advance of the period selected. Each year LCLE changes the quarter selected for each subrecipient. During onsite monitoring, LCLE instructs district office staff to review subrecipient expenditures for the selected period. District office staff review applicable personnel, travel, equipment, and supplies expenditures to ensure all timesheets and receipts are maintained in the subrecipients' accounting records. As discussed in the subrecipient expenditure section, we identified \$28,811 in questioned costs for unsupported subrecipient expenditures paid by the LCLE. We reviewed the LCLE's checklist and found the checklist included instructions for the district offices to perform reviews for unallowable and unsupported costs. Although the checklist provided for the review of such costs, we believe that the LCLE could strengthen its financial monitoring by increasing the number of fiscal reports for which it requires subrecipients to provide full supporting documentation. Also, instead of providing subrecipients with advance notice of the period selected, it could select random periods without prior notice. We recommend that OJP ensure that the LCLE strengthens its monitoring policies to help ensure that financial data submitted by subrecipients is accurate. Such efforts should include revising the policy for the selection of random fiscal reports for review to ensure reports are selected without prior notice to subrecipients.

As the state administering agency, the LCLE is responsible for ensuring organizations that expended an amount that equaled or exceeded the threshold in federal funds had a single audit completed and took appropriate and timely action on any findings related to DOJ grants. We reviewed the Single Audits for the nine subrecipients selected for review and determined that three of the subrecipients

were required to have Single Audits. The Single Audits were attached to each application and did not contain any findings. LCLE officials told us they review subrecipients' financial statements to check for compliance with the Single Audit Act. The LCLE staff also review the single audits of subrecipients for findings. If there are findings related to LCLE programs, they request a corrective action letter from the subrecipient. The subrecipient is also placed on a list for periodic follow-ups.

Performance Monitoring

While reviewing how the LCLE compiled performance data from its subrecipients to prepare Annual Performance Reports, we also assessed subrecipient performance reports. We sought support for select subrecipient-reported figures to confirm the number of victims reported as served on quarterly performance reports. We selected 19 quarterly program performance reports from the 9 subrecipients we visited. During our site visits, we reviewed the supporting documentation, which consisted largely of victim case files. We verified the information provided on the program performance reports for eight of the nine subrecipients visited. For the remaining subrecipient, we noted a discrepancy in the number of new victims reported as served during the quarter. The performance report submitted to LCLE stated that 88 new victims were served from January 1 to March 31, 2018. However, the documentation provided indicated that more than 88 victims were served during the period. We discussed this understatement with a subrecipient official who told us she was already aware of the understatement and was working with LCLE to make a correction to the report. The grant manager acknowledged that the numbers reported were incorrect and stated that this was the result of human error. The manager said that a new staff member was in the process of being trained to review performance reports because of the pending retirement of the current grant manager. As of January 10, 2019, the report had been corrected to show 122 victims were served.

We discussed the subrecipient's reporting error with LCLE officials and asked what LCLE did to verify the accuracy of the information submitted by subrecipients. The officials told us that they compare grant goals and objectives from subrecipients' applications to performance data entered into the LCLE grant management system and PMT to verify the accuracy of the information submitted. However, we compared subrecipients' performance data as reported in the LCLE grant management system to that reported in PMT and determined that the information did not match for 2 of 19 reports we tested. LCLE officials told us that they had also identified such differences. One official told us that the LCLE grant management system contained four versions of the performance reports, which were not used consistently by subrecipients. She said that the multiple report formats led to inconsistent understanding by subrecipients of the reporting requirements. To correct this, the LCLE created a new standardized report to be used by all subrecipients beginning with the FY 2017 subawards. The standardized report had not been implemented at the time of our audit. Absent a standardized approach to performance reporting by all of the subrecipients, we do not believe an

overall assessment of reported performance can be accurately completed. We recommend that OJP ensure the LCLE implements the new program report to help ensure that all subrecipients report consistently.

We reviewed the LCLE's performance monitoring checklist, which was presented in a "yes" or "no" format. We found the checklist included questions on whether the performance reports (1) were submitted on time and (2) included supporting documentation. However, the monitoring steps did not require verification of the information in the supporting documentation. We believe that the LCLE could improve its performance monitoring by requiring districts to verify the accuracy of the data included in one or more performance reports. We recommend that OJP ensure that the LCLE modifies district offices' monitoring procedures to verify the accuracy of performance data.

CONCLUSION AND RECOMMENDATIONS

We found that the LCLE used its VOCA funding to provide services to crime victims throughout the state. This audit did not identify significant concerns regarding the LCLE's compliance with VOCA drawdowns, matching requirements, and submitting timely and accurate Federal Financial Reports. The LCLE also adhered to VOCA requirements regarding tracking priority area funding. However, we identified several areas of deficiencies. Policies and procedures did not include detailed instructions for staff to perform grant financial management duties and responsibilities. Subrecipients submitted and received reimbursements for unsupported expenditures totaling \$28,811. The LCLE did not adequately support the basis for allocating administrative payroll costs for administrative, grant, and fiscal staff, resulting in questioned costs totaling \$81,982. Improvements are needed to the LCLE's oversight of VOCA funds used by the district office staff. We identified unsupported and unallowable costs for district office administrative expenditures totaling \$3,526. The LCLE did not enforce its subrecipient monitoring requirement within its district offices. The LCLE did not provide ongoing training to its district offices and subrecipients regarding the use of its grant management system and new VOCA requirements. We also found that the LCLE's financial and performance monitoring policies need improvement. Revised policies are needed to ensure the district offices staff review random fiscal reports to ensure subrecipients do not have prior knowledge of the fiscal reports selected for review. The district office staff should also verify the accuracy of reported performance data to supporting documentation.

We recommend that OJP:

1. Ensure that the LCLE establishes and implements detailed procedures for establishing the basis for the allocation of payroll costs.
2. Ensure that the LCLE develops and implements the employee handbook to provide detailed financial management policies and procedures to improve its practices for new hires.
3. Remedy the \$28,811 in unsupported subaward expenditures for Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216).
4. Remedy the \$81,982 in unsupported administrative costs for Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867).
5. Remedy the \$2,305 in unsupported district office administrative expenditures for Grant Number 2015-VA-GX-0003.
6. Remedy the \$1,221 in unallowable district office administrative expenditures for Grant Number 2015-VA-GX-0003.
7. Ensure that the LCLE increases its oversight of district office administrative expenses.

8. Ensure that the LCLE performs routine assessment of the monitoring schedules provided to the district offices to ensure subrecipients are monitored in accordance with its policy.
9. Ensure that the LCLE district office staff and subrecipients receive training on the use of the LCLE's grant management system.
10. Ensure that the LCLE establishes and implements a plan for training and updating district office staff on new VOCA requirements.
11. Ensure that the LCLE strengthens its monitoring policies to help ensure that financial data submitted by subrecipients is accurate.
12. Ensure the LCLE implements the new program report to help ensure that all subrecipients report consistently.
13. Ensure that LCLE modifies district offices' monitoring procedures to verify the accuracy of performance data.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the Louisiana Commission on Law Enforcement 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 2014-VA-GX-0045, 2015-VA-GX-0003, 2016-VA-GX-0074, and 2017-VA-GX-0055 from the Crime Victims Fund (CVF) awarded to the LCLE.¹³ The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$93,552,374 to the LCLE, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2013, the project start date for VOCA assistance Grant Number 2014-VA-GX-0045, through September 2020. As of January 8, 2019, the LCLE had drawn down a total of \$58,283,906 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the LCLE’s activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges and financial reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA victim assistance program guidelines, the Financial Guides, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP’s Grants Management System and Performance Measurement Tool, as well as the LCLE accounting system specific to the management of DOJ funds during the audit period. We did not test

¹³ At the time of our audit, the LCLE had not disbursed any funds from Grant Number 2017-VA-GA-0055 grant funds. We did not include this grant in our testing.

the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

While our audit did not assess the LCLE's overall system of internal controls, we did review the internal controls of the LCLE's financial management system specific to the management of funds for each VOCA grant within our review. To determine whether the LCLE adequately managed the VOCA funds we audited, we conducted interviews with state of Louisiana financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We also developed an understanding of the LCLE's financial management system and its policies and procedures to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:¹⁴		
Unallowable Costs		
Accrued Vacation Hours	\$ 1,221	14
Unsupported Costs		
Subward Expenditures	\$ 28,811	12
Payroll Allocations	81,982	14
District Office Reimbursements	2,305	14
Total Questioned Costs	<u>\$114,319</u>	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$114,319</u>	

¹⁴ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

**LOUISIANA COMMISSION ON LAW ENFORCEMENT
RESPONSE TO THE DRAFT AUDIT REPORT**

JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
Office of the Governor
Louisiana Commission on Law Enforcement
and Administration of Criminal Justice

JIM CRAFT
EXECUTIVE DIRECTOR



May 23, 2019

Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
75 Ted Turner Drive SW, Suite 1130
Atlanta, GA 30323

Dear Mr. Polk,

The Louisiana Commission on Law Enforcement (LCLE) has received a draft audit report from the Office of the Inspector General (OIG) of Grant Numbers 2014-VA-GX-0045, 2015-VA-GX-0003, 2016-VA-GX-0074, and 2017-VA-GX-0055 awarded to the LCLE. The report contained 13 recommendations and \$114,319 in questioned costs.

Contained below are the audit recommendations and LCLE's response to the draft prior to issuance of the final audit report:

1. *Ensure that the LCLE establishes and implements detailed procedures for establishing the basis for the allocation of payroll costs.*

LCLE concurs. LCLE has established a detailed procedure for establishing the basis for the allocation of payroll costs. This new procedure has been approved by the VOCA Federal Program Manager and OCFO and is currently in place.

2. *Ensure that the LCLE develops and implements an employee handbook to provide detailed financial management policies and procedures to improve its practice for new hires.*

LCLE concurs. LCLE will develop and maintain an employee handbook for Grants staff related to processes that the employees are responsible for following.

3. *Remedy the \$28,811 in unsupported subaward expenditures for Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216).*

LACLE concurs with the issue; however, we do not concur with the amount. LACLE is actively working with the respective sub-recipient agency to provide accurate supporting documentation that will reduce or alleviate some of these unsupported expenditures. Upon resolution with OIG, the funds will be refunded to OJP.

4. *Remedy the \$81,982 in unsupported administrative costs for Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867).*

LACLE concurs. LACLE will recalculate and provide backup documentation for the unsupported administrative costs with the new detailed procedure in #1. LACLE will refund any differences between the old and new calculations.

5. *Remedy the \$2,305 in unsupported district office administrative expenditures for Grant Number 2015-VA-GX-0003.*

LACLE concurs with the issue; however, we do not concur with the amount. LACLE has remedied almost 100% of these unsupported costs and continues to actively work with the district offices to reduce or alleviate these costs. Upon resolution with OIG, the funds will be refunded to OJP.

6. *Remedy the \$1,221 in unallowable district office administrative expenditures for Grant Number 2015-VA-GX-0003.*

LACLE concurs with the issue; however, we do not concur with the amount. LACLE has remedied almost 100% of these unsupported costs and continues to actively work with the district offices to reduce or alleviate these costs. Upon resolution with OIG, the funds will be refunded to OJP.

7. *Ensure that the LACLE increases its oversight of district office administrative expenses.*

LACLE concurs. LACLE is now requiring that district offices must attach supporting documentation with each request for reimbursement. In addition, LACLE will conduct on-site monitoring visits at each district office.

8. *Ensure that the LCLE performs routine assessment of the monitoring schedules provided to the district offices to ensure subrecipients are monitored in accordance with its policy.*

LCLE concurs. LCLE has prepared a revised, risk-based monitoring policy. A draft of the policy is being forwarded to the Federal VOCA program manager for review and approval.

9. *Ensure that the LCLE district office staff and subrecipients receive training on the use of the LCLE's grant management system.*

LCLE concurs. LCLE has recently provided (1) in-house training for LCLE staff and one district training for the district director and respective sub-recipients. The goal is to provide (1) training per calendar quarter.

10. *Ensure that the LCLE establishes and implements a plan for training and updating district office staff on new VOCA requirements.*

LCLE concurs. LCLE VOCA staff will provide trainings and open discussions regarding new VOCA requirements with the District Directors during the quarterly meetings as well as provide technical assistance and trainings when requested at a location agreeable to all parties involved.

11. *Ensure that the LCLE strengthens its monitoring policies to help ensure that financial data submitted by subrecipients is accurate.*

LCLE concurs. LCLE will continue to perform periodic desk reviews on all subrecipients. Subrecipients considered high risk will require consistent desk reviews throughout the project period.

12. *Ensure the LCLE implements the new program report to help ensure that all subrecipients report consistently.*

LCLE concurs. LCLE will implement new program reporting requirements to ensure subrecipients report consistently.

13. *Ensure that LCLE modifies district offices' monitoring procedures to verify the accuracy of performance data.*

LCLE concurs. LCLE will ensure monitors are verifying the accuracy of performance data being collected and reported by the subgrantees during the on-site monitoring visit.

Ferris B. Polk
May 23, 2019
Page 4

Thank you for allowing LCLE to respond to the draft audit of the report. If you have any questions regarding our response, please do not hesitate to contact us.

Sincerely,



Jim Craft
Executive Director

JC/ad

**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

JUN - 5 2019

MEMORANDUM TO: Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin 
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Assistance Grants, Awarded to the Louisiana Commission on Law Enforcement, Baton Rouge, Louisiana*

This memorandum is in reference to your correspondence, dated May 6, 2019, transmitting the above-referenced draft audit report for the Louisiana Commission on Law Enforcement (LCLE). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains 13 recommendations and \$114,319 in questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

- 1. Ensure that the LCLE establishes and implements detailed procedures for establishing the basis for the allocation of payroll costs.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, which establishes the basis for allocating its payroll costs.
- 2. Ensure that the LCLE develops and implements the employee handbook to provide detailed financial management policies and procedures to improve its practices for new hires.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of its written employee handbook, developed and implemented, and ensure it provides detailed financial management policies and procedures to improve its practices for new hires.

3. **Remedy the \$28,811 in unsupported subaward expenditures for Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216).**

OJP agrees with this recommendation. We will review the \$28,811 in unsupported subaward expenditures charged to Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216), and will work with LCLE to remedy, as appropriate.

4. **Remedy the \$81,982 in unsupported administrative costs for Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867).**

OJP agrees with this recommendation. We will review the \$81,982 in unsupported administrative costs charged to Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867), and will work with LCLE to remedy, as appropriate.

5. **Remedy the \$2,305 in unsupported district office administrative expenditures for Grant Number 2015-VA-GX-0003.**

OJP agrees with this recommendation. We will review the \$2,305 in unsupported district office administrative expenditures charged to Grant Number 2015-VA-GX-0003, and will work with LCLE to remedy, as appropriate.

6. **Remedy the \$1,221 in unallowable district office administrative expenditures for Grant Number 2015-VA-GX-0003.**

OJP agrees with this recommendation. We will review the \$1,221 in unallowable district office administrative expenditures charged to Grant Number 2015-VA-GX-0003, and will work with LCLE to remedy, as appropriate.

7. **Ensure that the LCLE increases its oversight of district office administrative expenses.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, for increasing its oversight of the district office administrative expenses.

8. **Ensure that the LCLE performs routine assessment of the monitoring schedules provided to the district offices to ensure subrecipients are monitored in accordance with its policy.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that routine assessment of its monitoring schedules is performed, so that subrecipients are monitored in accordance with its policy.

9. **Ensure that the LCLE district office staff and subrecipients receive training on the use of the LCLE's grant management system.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that both its staff and subrecipients receive training on the use of LCLE's grant management system.

10. **Ensure that the LCLE establishes and implements a plan for training and updating district office staff on new VOCA requirements.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that it establishes and implements a plan for training and updating district office staff on the new VOCA requirements.

11. **Ensure that the LCLE strengthens its monitoring policies to help ensure that financial data submitted by subrecipients is accurate.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of its revised written policies and procedures, for ensuring that financial data submitted by its subrecipients is accurate.

12. **Ensure the LCLE implements the new program report to help ensure that all subrecipients report consistently.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, for ensuring that all subrecipients report consistently.

13. **Ensure that LCLE modifies district offices' monitoring procedures to verify the accuracy of performance data.**

OJP agrees with this recommendation. We will coordinate with LCLE to obtain a copy of written policies and procedures, developed and implemented, for ensuring that the district offices monitoring procedures verify the accuracy of 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 Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

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**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The OIG provided a draft of this audit report to the Louisiana Commission on Law Enforcement (LCLE) and the Office of Justice Programs (OJP). The responses for the LCLE and OJP are incorporated in Appendices 3 and 4, respectively. The LCLE concurred with our recommendations. However, as discussed more specifically below, the LCLE stated it did not concur with the amount of questioned costs for three recommendations and was working with its subrecipients to identify supporting documentation. OJP agreed with the recommendations and, as a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

We recommend that OJP:

- 1. Ensure that the LCLE establishes and implements detailed procedures for establishing the basis for the allocation of payroll costs.**

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, which establish the basis for allocating its payroll costs.

The LCLE concurred with this recommendation and stated it has developed and implemented a detailed procedure for establishing the basis for the allocation of payroll costs that has been approved by the Victims of Crime Act (VOCA) federal program manager and the Office of the Chief Financial Officer.

This recommendation can be closed when we receive documentation to support that the LCLE developed and implemented detailed procedures for establishing the basis for the allocation of payroll costs.

- 2. Ensure that the LCLE develops and implements the employee handbook to provide detailed financial management policies and procedures to improve its practices for new hires.**

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of its written employee handbook, developed and implemented, and ensure it provides detailed financial management policies and procedures to improve its practices for new hires.

The LCLE concurred with this recommendation and stated it will develop and maintain an employee handbook for grants staff related to processes that the employees are responsible for following.

This recommendation can be closed when we receive documentation to support that the LCLE developed and implemented the employee handbook to provide detailed financial management policies and procedures to improve its practices for new hires.

3. Remedy the \$28,811 in unsupported subaward expenditures for Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$261).

Resolved. OJP agreed with this recommendation and stated it will review the \$28,811 in unsupported subaward expenditures charged to Grant Numbers 2015-VA-GX-0003 (\$28,595) and 2016-VA-GX-0074 (\$216), and will work with the LCLE to remedy the questioned costs, as appropriate.

The LCLE concurred with this recommendation, but did not concur with the amount of the questioned costs. The LCLE stated it is working with the respective subrecipient agency to obtain accurate supporting documentation that will reduce or alleviate the unsupported expenditures. The LCLE plans to return any applicable funds to OJP.

This recommendation can be closed when we receive documentation demonstrating the \$28,811 in questioned costs has been remedied.

4. Remedy the \$81,982 in unsupported administrative costs for Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867).

Resolved. OJP agreed with this recommendation and stated it will review the \$81,982 in unsupported administrative costs charged to Grant Numbers 2014-VA-GX-0045 (\$11,889), 2015-VA-GX-0003 (\$26,226), and 2016-VA-GX-0074 (\$43,867), and will work with the LCLE to remedy the questioned costs, as appropriate.

The LCLE concurs with this recommendation and stated it will recalculate and provide backup documentation for the unsupported administrative costs with the new detail procedure addressed in Recommendation 1. The LCLE plans to return to OJP any differences between the old and new calculations.

This recommendation can be closed when we receive and review the procedures addressed in Recommendation 1, along with adequate support for the recalculations, that demonstrates how the \$81,982 in questioned costs has been remedied.

5. Remedy the \$2,305 in unsupported district office administrative expenditures for Grant Number 2015-VA-GX-0003.

Resolved. OJP agreed with this recommendation and stated it will review the \$2,305 in unsupported district office administrative expenditures charged to Grant Number 2015-VA-GX-0003, and will work with the LCLE to remedy the questioned costs, as appropriate.

The LCLE concurred with this recommendation, but did not concur with the questioned costs amount. The LCLE stated it has remedied about 100 percent of the unsupported costs and continues to work with district offices to reduce or alleviate unsupported costs. The LCLE plans to return any applicable funds to OJP.

This recommendation can be closed when we receive documentation demonstrating the \$2,305 in questioned costs has been remedied.

6. Remedy the \$1,221 in unallowable district office administrative expenditures for Grant Number 2015-VA-GX-0003.

Resolved. OJP agreed with this recommendation and stated it will review the \$1,221 in unallowable district office administrative expenditures charged to Grant Number 2015-VA-GX-0003, and will work with the LCLE to remedy, as appropriate.

The LCLE concurred with this recommendation, but did not concur with the questioned costs amount. The LCLE stated it has remedied about 100 percent of the unsupported costs and continues to work with district offices to reduce or alleviate these costs. The LCLE plans to return any applicable funds to OJP.

This recommendation can be closed when we receive documentation demonstrating the \$1,221 in questioned costs has been remedied.

7. Ensure that the LCLE increases its oversight of district office administrative expenses.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, for increasing its oversight of the district office administrative expenses.

The LCLE concurred with this recommendation and stated it is now requiring that district offices must attach supporting documentation with each reimbursement request. In addition, the LCLE will conduct onsite monitoring visits at each district office.

This recommendation can be closed when we receive documentation to support the LCLE developed and implemented procedures to ensure increased oversight of district office administrative expenses.

8. Ensure that the LCLE performs routine assessments of the monitoring schedules provided to the district offices to ensure subrecipients are monitored in accordance with its policy.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that routine

assessment of its monitoring schedules is performed, so that subrecipients are monitored in accordance with its policy.

The LCLE concurred with this recommendation and stated it prepared a revised, risk-based monitoring policy. Further, a draft of the policy is being forwarded to OJP for review and approval.

This recommendation can be closed when we receive documentation to support the LCLE developed and implemented policy and procedures to ensure it performs routine assessments of the monitoring schedules provided to the district offices to ensure subrecipients are monitoring in accordance with its policy.

9. Ensure that the LCLE district offices staff and subrecipients receive training on the use of the LCLE's grant management system.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that both its staff and subrecipients receive training on the use of the LCLE's grant management system.

The LCLE concurred with this recommendation. The LCLE stated it recently provided in-house training for its staff and training for one district director and respective subrecipients. The LCLE plans to provide training each calendar quarter.

This recommendation can be closed when receive documentation to support the training provided to the district offices staff and subrecipients on the use of the LCLE's grant management system.

10. Ensure that the LCLE establishes and implements a plan for training and updating district office staff on new VOCA requirements.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, to ensure that it establishes and implements a plan for training and updating district office staff on the new VOCA requirements.

The LCLE concurred with this recommendation and stated that its VOCA staff will provide training and open discussions on new VOCA requirements with the district directors during the quarterly meetings and will also provide technical assistance and training when requested at a location agreeable to all parties involved.

This recommendation can be closed when we receive documentation that the LCLE established and implemented a plan for training and updating district offices staff on new VOCA requirements.

11. Ensure that the LCLE strengthens its monitoring policies to help ensure that financial data submitted by subrecipients is accurate.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of its revised written policies and procedures, for ensuring that financial data submitted by its subrecipients is accurate.

The LCLE concurred with this recommendation and stated it will continue to perform periodic desk reviews on all subrecipients and high-risked subrecipients will require consistent desk reviews throughout the project period.

This recommendation can be closed when we receive documentation to support how the LCLE strengthened its monitoring policies for ensuring that financial data submitted by subrecipients is accurate.

12. Ensure that the LCLE implements the new program report to help ensure that all subrecipients report consistently.

Resolved. OJP agreed with this recommendation and will coordinate with the LCLE to obtain a copy of written policies and procedures, develop and implemented, for ensuring that all subrecipients report consistently.

The LCLE concurred with this recommendation and stated it will implement new program reporting requirements to ensure subrecipients report consistently.

This recommendation can be closed when we receive documentation to support that the LCLE implemented new program reports to help ensure that all subrecipients report consistently.

13. Ensure that the LCLE modifies district offices' monitoring procedures to verify the accuracy of performance data.

Resolved. OJP agreed with this recommendation and stated it will coordinate with the LCLE to obtain a copy of written policies and procedures, developed and implemented, for ensuring that the district offices monitoring procedures verify the accuracy of performance data.

The LCLE concurred with this recommendation and stated that it will ensure monitors are verifying the accuracy of performance data collected and reported by subrecipients during the onsite monitoring visit.

This recommendation can be closed when we receive documentation to support that the LCLE developed and implemented monitoring procedures to verify the accuracy of performance data.



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