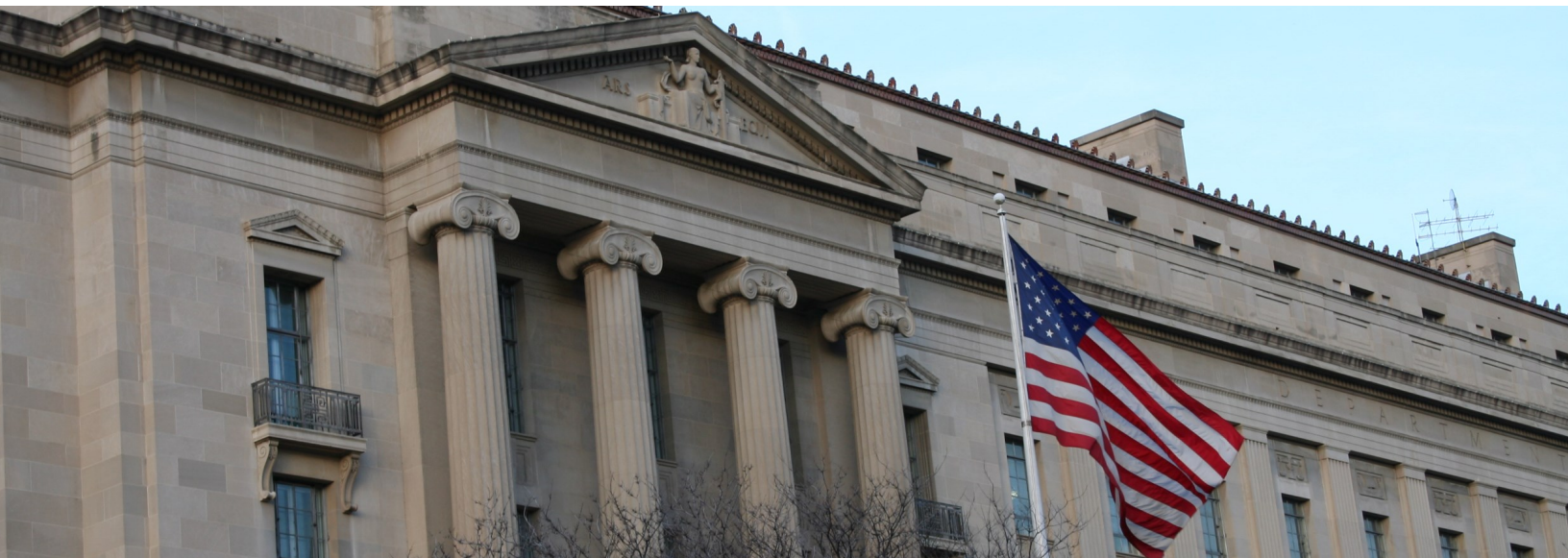




# **Office of the Inspector General**

## **U.S. Department of Justice**

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



# **Audit of the Office of Justice Programs Office for Victims of Crime Victim Assistance Grants Awarded to the Missouri Department of Public Safety, Jefferson City, Missouri**



# Executive Summary

*Audit of the Office of Justice Programs Office for Victims of Crime  
Victim Assistance Grants Awarded to the Missouri Department of  
Public Safety, Jefferson City, Missouri*

## Objective

The objective of the audit was to evaluate how the Missouri Department of Public Safety (MO DPS) designed and implemented its crime victim assistance program. We assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

## Results in Brief

We concluded that the MO DPS enhanced services for crime victims with its grant funding. We found that the MO DPS took appropriate steps to announce and provide funding to subrecipients. However, we found that the MO DPS did not properly track its distribution of funding by priority areas, as required by the Office for Victims of Crime (OVC). Further, we identified a potential conflict of interest in the awarding of one subgrant.

We also did not find issues with the MO DPS's federal financial reports or drawdowns and believe that its financial monitoring was generally adequate. However, we found that performance monitoring was not completed with adequate frequency, as prescribed in the MO DPS's policy. Additionally, performance data to be reported to the OVC was not properly reviewed by the MO DPS. Lastly, we found that the MO DPS included in its administrative costs an erroneously allocated annual leave payout for a MO DPS employee, resulting in \$7,261 in questioned costs.

## Recommendations

Our report contains eight recommendations for the Office of Justice Programs (OJP) to improve the administration of Missouri's victim assistance grants. In July 2017, the state of Missouri transferred responsibility for these grants from the MO DPS to the Department of Social Services, which we did not review in this audit. Nevertheless, we believe that OJP should ensure that future grant activity is performed in a manner consistent with our recommendations. We provided our draft audit report to these entities, and their responses can be found in Appendices 3, 4, and 5. Our analysis of those responses is included in Appendix 6.

## Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three *Victims of Crime Act (VOCA)* victim assistance formula grants awarded by OJP to the MO DPS. The OVC awarded these formula grants, totaling \$86,880,364 from fiscal years 2014 to 2016, from the Crime Victims Fund to enhance crime victim services throughout Missouri. As of June 2017, the MO DPS drew down a total amount of \$15,975,433 for the audited grants.

**Program Accomplishments** – In general, the MO DPS provided additional services for crime victims by planning for and distributing the increased VOCA funding it received.

**Potential Conflict of Interest** - The MO DPS's subaward selection process was generally adequate. However, we found an instance in which the MO DPS selected a subrecipient to receive VOCA funding while a potential conflict of interest existed between the subrecipient and a member of the MO DPS executive leadership team.

**Tracking of Priority Funding Areas** – MO DPS did not properly track the priority funding areas to ensure that the funding requirement for victim services was properly allocated to address domestic violence, child abuse, sexual assault, and underserved populations.

**Performance Reports** – We found that the MO DPS did not properly review information in the Annual Performance Reports submitted by its subrecipients. Further, the MO DPS submitted the reports to the OVC without ensuring the accuracy of the data.

**Leave Payout** – We found that the MO DPS improperly used VOCA funds for the entirety of an annual leave payout for a departing employee even though the employee's position was funded by a number of different activities. This resulted in \$7,261 in questioned costs.

**Performance Monitoring** - We found the MO DPS had not fully complied with its subrecipient monitoring policy. However, this activity was impacted by the transition of grant administration from the MO DPS to the MO DSS. We believe that the monitoring of subrecipients that may not have received a desk audit or on-site visit should be prioritized.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
OFFICE FOR VICTIMS OF CRIME  
VICTIM ASSISTANCE GRANTS  
AWARDED TO THE MISSOURI DEPARTMENT OF PUBLIC SAFETY,  
JEFFERSON CITY, MISSOURI**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
OFFICE FOR VICTIMS OF CRIME  
VICTIM ASSISTANCE GRANTS  
AWARDED TO THE MISSOURI DEPARTMENT OF PUBLIC SAFETY,  
JEFFERSON CITY, MISSOURI**

**INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim assistance formula grants awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the Missouri Department of Public Safety (MO DPS) in Jefferson City, Missouri. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, for fiscal years (FY) 2014 to 2016, these OVC grants totaled \$86,880,364.

**Table 1  
Audited Grants  
Fiscal Years 2014 – 2016**

GRANT AWARD	AMOUNT
<b>VICTIM ASSISTANCE GRANTS</b>	
2014-VA-GX-0005	\$ 8,593,430
2015-VA-GX-0065	\$ 36,789,013
2016-VA-GX-0056 <sup>a</sup>	\$ 41,497,921
<b>TOTAL:</b>	<b>\$ 86,880,364</b>

Note: Each award may be expended for 3 fiscal years after the fiscal year in which the grant was awarded.

<sup>a</sup> At the time of our audit, the MO DPS had not yet expended funds from the FY 2016 award.

Source: OJP Grants Management System (GMS)

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.<sup>1</sup> The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes to states and territories proceeds from the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress (the cap).

In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, more than quadrupling the available funding for victim assistance grants from \$455.8 million to \$1.96 billion. In FY 2016, Congress raised the cap

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<sup>1</sup> The VOCA victim assistance formula program is funded under 42 U.S.C. 10603 (a).

again, increasing the available funding for victim assistance to \$2.22 billion. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the states' population. As such, the annual VOCA victim assistance grant funds available to the MO DPS increased from \$8.6 million in FY 2014 to \$41.5 million in FY 2016.

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 sub-awards 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 Missouri state administering agency for the audited formula grants, the MO DPS was responsible for administering the VOCA victim assistance program. The Crime Victim Services Unit within the MO DPS provided guidance to not-for-profit agencies and local governments on practices and policies that impact crime victims, as well as provided grant funding, training, and consultation to help communities develop programs to serve crime victims. The Crime Victim Services Unit employed five personnel with each employee overseeing a portfolio of VOCA subrecipients based on geographic regions.

On May 4, 2017, the Missouri state legislature voted to move the administration of the VOCA victim assistance program from the MO DPS to the Missouri Department of Social Services (MO DSS). The transfer of program administration occurred on July 1, 2017. As such, the MO DPS administered and managed the audited VOCA victim assistance grants until June 30, 2017.<sup>2</sup>

## **OIG Audit Approach**

The objective of the audit was to evaluate how the MO DPS 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 sub-recipients.

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

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<sup>2</sup> Our audit focused on the administration of the VOCA victim assistance grants by the MO DPS. We did not review the performance or management of the grants after they were transferred to the Missouri Department of Social Services.

Guidelines), and the OJP Financial Guide and DOJ Grants Financial Guide (Financial Guides) as our primary criteria.<sup>3</sup> We also reviewed relevant state of Missouri policies and procedures and interviewed MO DPS personnel to determine how they administered the VOCA funds. We interviewed MO DPS and subrecipient personnel and further obtained and reviewed MO DPS and subrecipient records reflecting grant activity.<sup>4</sup> We also conducted site visits of six VOCA-funded subrecipients throughout the state of Missouri.

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<sup>3</sup> The OJP Financial Guide governs the FY 2014 grant in our review period, while the revised 2015 DOJ Grants Financial Guide applies to the FY 2015 and FY 2016 awards. The revised DOJ guide reflects updates to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, 2 C.F.R. part 200.

<sup>4</sup> 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 MO DPS, which was the primary recipient of victim assistance grants at the state level in Missouri, must distribute the majority of the federal grant funds 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 MO DPS had 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.<sup>5</sup> 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 MO DPS's overall plan to allocate and award the victim assistance funding. We reviewed how the MO DPS 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 MO DPS met additional victim service needs with its increased FY 2015 funding by providing VOCA funds to new subrecipients and increasing the amount of funding provided to all subrecipients. Additionally, the MO DPS adequately communicated the applicable VOCA requirements to its subrecipients. However, we identified a potential conflict of interest issue with the MO DPS's selection of subrecipients, which allowed the MO DPS to award a subgrant to an organization for which a member of the MO DPS's executive leadership had previously served on the board of directors and maintained a membership.<sup>6</sup>

#### *Subaward Allocation Plan*

Prior to the increase in CVF funding, the MO DPS used a 2-year subgrant cycle to award VOCA funds to subrecipients.<sup>7</sup> In response to the significant increase in CVF available funding, the OVC's FY 2015 VOCA Victim Assistance

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<sup>5</sup> The VOCA Guidelines state that "underserved" victims may be best defined according to their status as senior citizens, non-English speaking residents, persons with disabilities, members of racial or ethnic minorities, or by virtue of the fact that they are residents of rural or remote areas, or inner cities. Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

<sup>6</sup> The OIG made revisions to factual statements in this paragraph in response to information it received following the issuance of the final report in March 2018. The revisions do not affect the conclusions or recommendations of the audit.

<sup>7</sup> During our review period, the MO DPS awarded subgrants for two cycles: the 2014-2015 subgrant cycle and the 2016-2017 subgrant cycle.



Formula Solicitation required that state and territory applicants submit a subrecipient funding plan detailing their efforts to identify additional victim service needs, as well as subaward strategies to spend the substantial increase in available VOCA funding. In an attachment to its application for its 2015 VOCA victim assistance grant, the MO DPS outlined to the OVC its plan to spend the additional funds. According to this document, in May 2015 the MO DPS created a VOCA Advisory Committee to develop strategies to identify potential new VOCA subgrant applicants, as well as to identify additional needs for victim services. The VOCA Advisory Committee consisted of representatives from various fields related to victim services, such as coalitions, prosecuting attorney's offices, and subrecipient organizations. In its subrecipient funding plan submitted to the OVC, the MO DPS stated that it would work with the VOCA Advisory Committee, as well as the Missouri victim service community-at-large, to determine if additional needs would require a special subgrant solicitation.

In the funding plan, the MO DPS stated that it held a meeting with the VOCA Advisory Committee. As a result of this meeting, the MO DPS decided to provide a 6-month grant extension to all existing VOCA subrecipients from the 2014-2015 subgrant cycle to allow additional time to prepare applications for the subsequent subgrant cycle. With the extension, the original grant cycle ending in September 2015 was prolonged through March 2016 and subrecipients were notified that their funding amount was increased by 25 percent to allow the continuation of current activities.

Because of the 6-month extension, the subgrants awarded by the MO DPS for the 2016-2017 subgrant cycle were issued for an 18-month period that began in April 2016 and ended in September 2017.<sup>8</sup> We noted that 13 new subrecipients were awarded funds in the 2016-2017 subgrant cycle. Additionally, we assessed the amount of funding provided to subrecipients that had previously received VOCA funding and determined that, generally, these subrecipients were provided with a substantial increase in funding.

MO DPS officials explained that after awarding these subgrants, the MO DPS met with representatives of various victim services providers to obtain further input on statewide needs. As a result of this meeting, in December 2016 the MO DPS notified current subrecipients of an option to submit a grant adjustment notice for a 33-percent increase in funding to enhance the available funding for program activities. We learned that approximately 100 of the 117 subrecipients submitted grant adjustment notices and were approved for a funding increase.

In sum, we found that the MO DPS made an effort to provide additional funding for victim services in Missouri and, as a result, made adjustments to its existing subaward process, awarded VOCA funding to new subrecipients, and increased the amounts of its subgrants. We believe that this enhanced the provision of assistance to victims in Missouri.

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<sup>8</sup> This 18-month subgrant would return the MO DPS's subgrant cycle to the standard 2-year cycle.

### *Subaward Selection Process*

To assess how the MO DPS awarded its subgrants, we identified the steps that the MO DPS took to inform, evaluate, and select subrecipients for VOCA funding. For the most recent subgrant application process, about 5 months prior to the beginning of the subgrant cycle, the MO DPS announced the VOCA funding opportunity on its website, through social media, and in local newspapers. Additionally, current subrecipients and interested organizations that had signed up for the MO DPS's e-mail notifications received the announcement. The MO DPS also held pre-bid seminars across the state to educate organizations about the current VOCA funding opportunity and VOCA-specific grant requirements.

Missouri subrecipient applicants were required to submit VOCA applications through WebGrants, the automated grant information tracking and management system used by the MO DPS.<sup>9</sup> The applications were then assessed by two review panels: (1) internal MO DPS staff who provide continuity through multiple subgrant application review cycles; and (2) external peer reviewers selected based on recommendations from the victim assistance community and that change with each application review period. While we found that there is no written policy addressing conflict of interest matters, a MO DPS official stated that any reviewers having a conflict of interest in connection to an organization applying for a VOCA subgrant were not allowed to be a part of the review and funding recommendation process when that particular organization's grant application was reviewed. Internal and peer reviewers evaluated, scored, and rated each eligible application and provided recommendations to MO DPS executive leadership. The reviewers' ratings and funding recommendations – along with past grant performance, geographic diversity, demonstration of need, and other factors – were taken into account by MO DPS executive leadership in executing final funding decisions; the MO DPS Director retained final funding decision authority. The MO DPS awarded 116 subgrants to 113 organizations for the 2014-2015 cycle and 117 subgrants to 114 organizations for the 2016-2017 cycle.<sup>10</sup>

We found that the MO DPS's subaward selection process was generally adequate to provide funding for a variety of services, types of victims, and geographic distribution. However, we are concerned with the MO DPS's lack of written policies and procedures related to conflicts of interest during the subaward selection process. Notably, during our review we identified a subaward decision for which there was a potential conflict of interest. We reviewed a VOCA subgrant application that was evaluated by peer and internal reviewers and noted that all of the examiners recommended the organization's application be denied. The reviewers provided an explanation of their recommendation to not award funds, including a determination that based on the organization's application, it appeared that certain VOCA and MO DPS requirements would not have been met. We

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<sup>9</sup> WebGrants is a web-based grant management system supporting the application and administration of grants awarded by the MO DPS, including VOCA subgrants.

<sup>10</sup> For the 2014-2015 and 2016-2017 subgrant cycles, certain subrecipients received multiple VOCA subgrants to fund distinct crime victim projects.

examined the reviewers' conclusions and believe that their evaluations followed established policy and that their recommendations to not fund this organization were adequately supported.

Ultimately, MO DPS executive leadership provided funding to this organization. The organization received a VOCA subgrant totaling approximately \$2.7 million, the largest of any VOCA subgrant to any organization in Missouri. During our review of this subrecipient's application documents, we found that a member of the MO DPS executive leadership team who we were told was involved in the decision to fund this organization was identified as a board member of the organization in 2014. Based on the evidence we received, we believe that this official should not have been involved in the final funding decision due to a potential conflict of interest stemming from the individual having previously served on the board of directors of, and having previously maintained an active membership in, the applying organization. Shortly after the organization's acceptance of the VOCA subgrant in October 2016, this executive leadership team member left the MO DPS and as of February 2017, the individual was a staff member for the organization in question. We recommend that OJP ensure that the Missouri state administering agency: (1) evaluates this potential conflict of interest to determine if action is required, and (2) utilizes a formalized conflict of interest policy when making subgrant decisions.<sup>11</sup>

### *Subaward Requirements*

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed the MO DPS's subgrant solicitations and award packages to determine how the grantee communicated its subaward requirements and conveyed to potential applicants the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements. These requirements, which the MO DPS referred to as VOCA-certified assurances, were part of the VOCA award documentation and included monitoring requirements and lobbying restrictions, among other conditions of the VOCA grant funding. We also found that prior to issuing a subgrant award, the MO DPS communicated the VOCA-certified assurances during the pre-bid seminars to potential VOCA applicants. A responsible official from each subrecipient organization was required to certify in writing the acknowledgement and agreement to comply with the terms and conditions of the subgrant, including these VOCA-certified assurances. Lastly, all VOCA subrecipients were required to attend a VOCA compliance seminar after the subgrant was accepted. This seminar, put on by the MO DPS, included a review of all VOCA-certified assurances. We believe these efforts represent appropriate communication of grant requirements to subrecipients.

### **Program Requirements and Performance Reporting**

To determine whether the MO DPS distributed VOCA victim assistance program funds to enhance crime victim services, we reviewed the MO DPS's distribution of

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<sup>11</sup> The OIG made revisions to factual statements in this paragraph in response to information it received following the issuance of the final report in March 2018. The revisions do not affect the conclusions or recommendations of the audit.

grant funding via subawards among local direct service providers. We also reviewed performance measures and documents that the MO DPS used to track goals and objectives. Further, we examined OVC solicitations and award documents and verified the MO DPS's compliance with special conditions governing recipient award activity.

Based on our review, we identified needed improvements in reporting on program requirements and performance. We identified issues relating to tracking of the priority funding areas, the review and reporting of performance data, and the incomplete submission of Subgrant Award Reports, as detailed in the following sections.

### *Priority Areas Funding Requirement*

The VOCA Guidelines require that the MO DPS 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.<sup>12</sup> The MO DPS provided subrecipients with guidance to identify and target their underserved populations based on geographic location and types of victims served. A MO DPS official stated, for example, that a subrecipient in St. Louis might identify victims of gang-related crimes as its underserved population, while a subrecipient in a rural area of Missouri would likely not identify this victim population as underserved.

We examined how the MO DPS allocated VOCA subawards to gauge whether it was on track to meet the program's distribution requirements for priority areas. According to a MO DPS official, for the grants that we reviewed, the MO DPS tracked priority areas in WebGrants using an internal VOCA data form. Subrecipients were required to complete this form as part of their grant application, applying estimated budget amounts to each priority category, including specific underserved populations. However, we found that this data was never updated with actual funds spent on each of the priority areas. Because the MO DPS did not require subrecipients to report actual dollars spent by funding source, the MO DPS could not accurately track VOCA funds used by priority victim area. We spoke with MO DPS officials about tracking the priority funding requirement and the estimated figures, and although they provided support for tracking actual expenditures by priority areas in a previous year, they were unable to provide supporting documentation or a methodology for how spending was tracked for the grants that we audited. As a result, we were unable to test whether the MO DPS complied with the priority areas funding requirement. We recommend that OJP ensure that the Missouri state administering agency employs a reliable process for tracking grant spending by priority areas.

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<sup>12</sup> Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

## *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 to its Grants Management System (GMS). As of FY 2016, the OVC also began requiring states to submit performance data through the web-based Performance Measurement Tool (PMT). With this new 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. Additionally, the OVC expects the state to review the data submitted to determine whether it appears to be reasonable and to identify outliers.

For the victim assistance grants, the state 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 MO DPS submitted annual performance reports to the OVC for FYs 2014 through 2016.<sup>13</sup> We reviewed the FY 2016 report, which included data regarding activities funded by the 2014 and 2015 VOCA grants awarded.

We discussed with a MO DPS official how the agency compiled performance report data from subrecipients. The official stated that the subrecipients submitted their performance data quarterly via WebGrants. Then a MO DPS employee entered the data into PMT. This individual stated that she did not review the data, but that PMT would have alerted her if data was missing. In turn, MO DPS staff and the subrecipient would be notified by the employee of any missing data and, upon that notification, the subrecipient was responsible for making corrections and resubmitting data. However, no one at the MO DPS verified that this employee was correctly inputting the data received from the subrecipients.

To determine whether the annual performance reports submitted by the MO DPS accurately reflected the performance reported by the subrecipients as a summary of statewide activity, we reviewed the FY 2016 Annual State Performance Report, covering the period of October 1, 2015, through September 30, 2016. Table 2 presents summary data from this annual performance report.

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<sup>13</sup> The MO DPS submitted its FY 2014 and FY 2015 annual performance reports in GMS and its FY 2016 annual performance report in PMT. At the time of our review, the FY 2017 performance report was not yet due to the OVC.

**Table 2**  
**Summary from the MO DPS**  
**Victim Assistance Program Annual Performance Report**  
**FY 2016**

Performance Category	Data Reported
Number of Victims Served	93,373
Number of Services Provided	558,048

Source: MO DPS Annual State Performance Report for FY 2016

We assessed whether the MO DPS's annual performance report to the OVC fairly reflected the performance figures its subrecipients had reported to the state. MO DPS officials explained to us that they reviewed subrecipient data to identify any anomalies, however this review process was not reflected in any written policies or procedures. To evaluate the data reported in PMT, we judgmentally selected a sample of 12 subrecipients and tested the data reported for 1 quarter for each of these subrecipients.<sup>14</sup> We attempted to reconcile all of the data reported by the MO DPS in PMT to all of the data these 12 subrecipients submitted via WebGrants. Our testing identified 118 errors out of 691 data items tested, for an error rate of 17 percent.<sup>15</sup>

We also reviewed the data submitted by the subrecipients in WebGrants in an attempt to identify any anomalies. Of particular note, one performance statistic stood out to us: a large increase in one subrecipient's reported number of individuals receiving services for a particular type of victimization. This subrecipient had not previously reported serving any victims in this category; however, for one quarter during our review the subrecipient reported serving 78 victims for this type of victimization. It seemed odd to us that there would be a large increase in the number of individuals served. We confirmed with the subrecipient that this information was reported incorrectly and this figure should have been reported for a different type of victimization.<sup>16</sup> We believe that such a large variance should have been a red flag and the MO DPS should have noticed this irregularity in a review of subrecipient reports for anomalies.

Based upon the 17-percent overall error rate we identified between the subrecipient data and the information recorded in PMT, as well as a lack of written verification procedures to check the accuracy of the data that was entered into PMT, we believe the performance data the MO DPS reported to the OVC was unreliable. We recommend that OJP ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.

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<sup>14</sup> Appendix 1 contains additional information on our sampling methodology.

<sup>15</sup> Our testing included only the data fields that contained an entry, which was different for each subrecipient. Our testing methodology is explained fully in Appendix 1.

<sup>16</sup> This error is further discussed in the Monitoring of Subrecipients section of our report.

### *Compliance with Special Conditions*

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the MO DPS certified it would comply with these special conditions. We reviewed the special conditions for the victim assistance grants and identified five that we deemed significant to grant performance that are not otherwise addressed in another section of this report.

The first special condition that we reviewed was for the submission of Subgrant Award Reports (SAR). For the victim assistance grants, the states must provide the OVC an annual report with basic information on each subrecipient that receives victim assistance funds. A MO DPS official informed us that the MO DPS submitted SARs for each subrecipient. Our comparison of the subgrants awarded by the MO DPS to the list of SARs submitted to the OVC identified four subgrants for which a SAR was not provided during our audit scope. Therefore, the MO DPS did not fully comply with this special condition.

The other four special conditions that we tested related to the availability of subrecipient financial statements, prohibitions against non-disclosure agreements, and requirements for fraud reporting and eligibility of subrecipients. We did not identify any areas of non-compliance with these special conditions.

In our opinion, the MO DPS was generally complying with the VOCA victim assistance special conditions of the grant awards. However, we noted an exception related to the MO DPS's compliance with the requirement to submit SARs for every subrecipient that was awarded VOCA funds. Therefore, we recommend that OJP ensure that the Missouri state administering agency has submitted SARs for all of its previously awarded VOCA subgrants.

### **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 MO DPS's financial management of the VOCA grants, we reviewed the MO DPS's process for administering these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate the MO DPS's financial management of the VOCA grants, we also reviewed the latest Single Audit Report and determined that there were no significant weaknesses or recommendations specifically related to the MO DPS. We also interviewed the MO DPS's personnel who were responsible for financial aspects of the grants, reviewed the MO DPS's written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that the MO DPS implemented numerous controls over its grant financial activities such as payments, payroll procedures, grant funding requests, subrecipient match amounts, and financial reporting. However,

we found that the MO DPS improperly allocated to the VOCA grant an annual leave payout to an employee.

### *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.

#### Subgrant Expenditures

MO DPS subrecipients could request reimbursement from the MO DPS via WebGrants on a monthly basis. Each expenditure submitted for reimbursement must have been an approved budget item and include required supporting documentation. We found that as of June 2017, the MO DPS paid a total of \$15,523,475 to its subrecipients with the VOCA victim assistance program funds in the scope of our audit.

To evaluate the MO DPS's financial controls over VOCA victim assistance grant expenditures, we reviewed a sample of subrecipient transactions to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines. First, we judgmentally selected 12 subrecipients based on the amount of the VOCA subgrant awarded, geographic location, and risk factors we identified from our review of MO DPS subrecipient monitoring reports. We then reviewed a judgmental sample of 266 individual transactions totaling \$521,809 from these 12 subrecipients. The transactions we reviewed included costs in the following categories: (1) salary, (2) fringe benefits, (3) travel, (4) contracts/consultants, (5) supplies, (6) equipment, (7) training, and (8) operating costs. We found that the expenses were generally supported, accurate, allowable, and in accordance with the VOCA Guidelines.

#### Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its state crime victim assistance program and for training. According to the 2016 VOCA Guidelines, such costs must derive from efforts to expand, enhance, and/or improve how the agency administers the state crime victim assistance program and to support activities and costs that impact the delivery and quality of services to crime victims throughout the state. At the time of our audit, the MO DPS had only charged administrative expenses against the 2014 and 2015 VOCA victim assistance grant awards, and none for the 2016 award. For the victim assistance grant program, we tested the MO DPS's compliance with the 5-percent limit on the administrative category of expenses. We compared the total administrative expenditures charged to the grants against the general ledger



and determined that the state has complied with this limit for the 2014 award and is on track to comply with this limit for the 2015 award.

In addition to testing the MO DPS's compliance with the 5-percent administrative allowance, we also tested a sample of the administrative transactions to ensure the transactions were allowable, supported, reasonable, and in compliance with the terms and conditions of the grants. We found that the MO DPS used the majority of its administrative allowance to fund personnel-related expenses. We judgmentally selected 44 transactions totaling \$39,462, for a sample of 13 percent of administrative expenditures charged as of March 2017, which included two pay periods of salary and fringe benefits costs. We also selected a variety of other categories to test, including travel, supplies, communications, and equipment.

Based on our testing, we found that the majority of expenditures were properly authorized, accurately recorded, computed correctly, and properly allocated to the grant. For personnel-related expenditures, the MO DPS required its employees to fill out timesheets that included a daily breakdown of hours charged to the different projects worked on by the employee, including the VOCA grants.

We identified one item as an unallowable expenditure: a payout of annual leave to an employee in the amount of \$7,261. We found that the MO DPS's standard practice for departing employees was to allocate the leave payout based on the allocation of hours worked during the employee's final pay period. One transaction in our sample was the payout of annual leave to a departing employee. When this particular employee left the employment of the MO DPS, the unused annual leave for the employee was paid entirely using VOCA grant funds because the employee only worked 1 day during the pay period and recorded working that entire day on VOCA-related activities. When we spoke to the MO DPS Finance Manager about this charge, he stated that he did not realize the employee had only worked 1 day during the pay period and that he thought that was the allocation for a full pay period worked. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. § 200.431) state that annual leave must be equitably allocated to all related activities. As such, we believe that the last pay period worked by an employee may not adequately reflect this employee's time distribution on all allocable activities throughout the employee's tenure. For example, a MO DPS official explained that during the VOCA subgrant solicitation review period, the majority of an employee's time may be charged to the VOCA grant. However, after the solicitation period has ended, this employee may return focus to other non-VOCA activities. As such, the distribution of time for any single pay period would not accurately reflect an equitable distribution of time spent on all projects. We brought this to the attention of MO DPS officials and they agreed that the leave payout should not have been charged entirely to VOCA.

We question the annual leave payout of \$7,261 as an unallowable cost because the MO DPS did not allocate this expense equitably to all activities performed by the employee. We recommend that OJP remedy the \$7,261 charged to the VOCA grant. Additionally, we recommend that OJP ensure that the Missouri

state administering agency has a compliant method for allocating annual leave payouts.

### *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 to be 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 MO DPS managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the MO DPS's accounting system and accompanying financial records.

For the VOCA victim assistance awards, the MO DPS prepared monthly drawdowns on a reimbursement basis. The drawdown amount was determined based on subrecipient expenditures submitted for reimbursement during that month, as well as the amount of administrative expenditures during the same period. We did not identify any deficiencies related to the MO DPS's process for developing drawdown requests or practices for drawing down funds. Table 3 shows the total amount drawn down for each grant based on expenditures through June 2017.

**Table 3**  
**Amount Drawn Down for Each Grant**  
**Based on Expenditures through June 2017**

<b>Award Number</b>	<b>Total Award</b>	<b>Amount Drawn Down</b>	<b>Amount Remaining</b>
2014-VA-GX-0005	\$8,593,430	\$8,593,430	\$0
2015-VA-GX-0065	36,789,013	7,382,003	29,407,010
2016-VA-GX-0056	41,497,921	0	41,497,921
<b>Total:</b>	<b>\$86,880,364</b>	<b>\$15,975,433</b>	<b>\$70,904,931</b>

Source: OJP

### *Matching Requirement*

VOCA Guidelines require that subrecipients match 20 percent of each subaward. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to utilize other funding sources to help ensure future sustainability. Although subrecipients must derive required matching contributions from non-federal, non-VOCA sources, subrecipients can

provide either cash or an in-kind match to meet matching requirements.<sup>17</sup> 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 MO DPS communicated the 20-percent match requirement to its subrecipients in its pre-bid seminar, VOCA solicitation and application, post-award compliance webinars, and subgrant agreement. Subrecipients are allowed two forms of match: (1) cash match, or the value of direct funding for the project or funds available from a non-VOCA source; and (2) in-kind match or non-monetary contributions or donations received from individuals, organizations, or agencies. The MO DPS required subrecipients to report match monthly in WebGrants as part of the claim for reimbursement of expenses. If subrecipients did not believe they would meet the match requirement, they could apply to the OVC for a waiver of the match with sufficient justification. The OVC approved 22 subrecipients for partial match waivers under the 2016-2017 subgrant cycle.

To review the provision of matching funds, we reviewed a judgmental sample of 38 match transactions totaling \$86,483 for 6 subrecipients.<sup>18</sup> Our review focused on volunteer time, equipment, and instances of cash match. We reviewed the available support, which included invoices, receipts, timesheets, and volunteer logs. We did not identify any issues with items the subrecipients submitted to the MO DPS to support their match contributions.

### *Financial Reporting*

According to the OJP Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report, as well as cumulative expenditures. During our review, we could not immediately determine whether the MO DPS submitted accurate Federal Financial Reports (FFR) because the MO DPS did not reconcile its FFRs to its official accounting records for each grant, as required. A MO DPS official stated that the FFRs were prepared using WebGrants, which includes expenditures at the subrecipient level. Subrecipients must submit claims for reimbursement in WebGrants by the fifth of each month. These reimbursement requests are reviewed and, if approved, are paid by the 25th of the month. At that point, subrecipient expenditures were reflected in the general ledger by the MO DPS because they had been paid to the subrecipient. Because subrecipient expenditures were not reflected in the general ledger until they were paid, which may have been almost a month after they were submitted, the amount of expended funding reported in WebGrants would often not match the general ledger on the report dates. As such, the only time that the MO DPS's FFRs would have matched its official accounting records would be when the grant closed.

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<sup>17</sup> 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.

<sup>18</sup> Appendix 1 contains additional information on our sampling methodology.

We discussed this method with the MO DPS and they explained that it allows for the accounting of any subrecipient expenditures (unliquidated obligations) incurred for the reporting period. To test the accuracy of the MO DPS's financial reports, we examined the last five reports associated with the 2014 grant, found that they reconciled, and identified no exceptions.

## **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 MO DPS must develop policies and procedures to monitor subrecipients. To assess how the MO DPS monitored its VOCA subrecipients, we interviewed MO DPS personnel, identified MO DPS monitoring procedures, and obtained records of interactions between the MO DPS and its subrecipients. We also conducted site visits of six subrecipients, which included interviewing personnel, touring facilities, and reviewing accounting and performance records.

The MO DPS's subrecipient monitoring program included both financial and programmatic monitoring. We found that the MO DPS monitoring procedures were designed to provide sufficient assurance that subrecipients were appropriately using VOCA funds. The MO DPS also provided training sessions for subrecipients, which included information about the financial and programmatic reviews. We spoke with subrecipient officials about the support received from the MO DPS and these officials indicated that the level of support from the MO DPS was appropriate. While our review of the MO DPS's subrecipient monitoring practices revealed that the financial monitoring was adequate, we found that the MO DPS did not complete with appropriate frequency its programmatic monitoring, nor did it properly review performance data. Our results are detailed below.

### *Financial Monitoring*

The MO DPS completed its financial monitoring of subrecipients on a monthly basis, reviewing every expenditure claim submitted for reimbursement by its subrecipients. The MO DPS required subrecipients to submit detailed information and complete supporting documentation of each expenditure claimed in WebGrants. If supporting documentation was not sufficient or an expenditure was deemed unallowable, the MO DPS communicated with the subrecipient to resolve the issue. Subrecipients were allowed two correction attempts to more fully support the claim before the MO DPS would consider the claim "withdrawn" and would not provide reimbursement. If a claim were to be withdrawn, the subrecipient's Executive Director and Board of Directors would be notified of the rejected claim. Lastly, the MO DPS tracked subrecipients required to conduct single audits based on the applicable federal threshold. This monitoring of single audit activity included noting any subrecipient findings, whether the findings were related to DOJ funds, and whether any follow-up action was required.

To assess the effectiveness of the MO DPS's financial monitoring practices, we selected a judgmental sample of 12 subrecipients to test expenditures submitted on the claims for reimbursement. As stated in the Grant Expenditures section of our report, our review of subrecipient reimbursements did not identify any concerns. We believe that the MO DPS had detailed and comprehensive financial monitoring practices in place, and complied with its financial monitoring procedures. We also believe that this level of financial monitoring provided the MO DPS with sufficient assurance that its subrecipients are appropriately using VOCA funds.

### *Performance Monitoring*

The MO DPS's monitoring procedures stated that subrecipients are to be monitored as deemed necessary, with a goal to complete a program and performance review of all subrecipients at least once every 2-year subgrant cycle. Additionally, first-time grant recipients were to receive a programmatic review within 6 to 8 months of the start of the subgrant cycle. These programmatic site visits required subrecipients to prepare a site visit report, which was to be completed prior to a MO DPS representative arriving on site. The site visit report included a review of civil rights compliance, information about staff paid by the VOCA grant, items purchased with grant funds, general financial information, and statistics such as volunteer hours worked and number of victims served. The MO DPS representative was to review the prepared site visit report prior to completing a scheduled site visit at the subrecipient's organization. During the site visit, the MO DPS representative was to meet with grant-funded staff, tour the subrecipient's facility, address any questions or concerns that the subrecipient officials and staff might have, and discuss any issues identified during the review process. Upon completion of a site visit, a report would be prepared outlining any findings, if any, and instructing the subrecipient on steps necessary to resolve the findings. Additionally, according to its policy, the MO DPS had an option to complete a desk audit instead of a site visit, particularly on simple subgrants with only one non-payroll budget category. Desk audits required the same site visit report and documentation as a programmatic review, but did not require the MO DPS representative to conduct an on-site visit.

To test the frequency of the MO DPS's programmatic monitoring activities, we reviewed the number of site visits and desk audits completed through June 2017. Due to the transition in administration and management of the VOCA program from the MO DPS to the MO DSS, monitoring these subgrants became the responsibility of the MO DSS as of July 1, 2017. We did not review any monitoring activities conducted by the MO DSS as this was not within the scope of our audit. Our results of the MO DPS's monitoring activities are displayed in Table 4 below.

**Table 4**  
**MO DPS Monitoring Activity as of June 2017<sup>a</sup>**

Subgrant Cycle	Number of VOCA Subgrants	Site Visits		Desk Audits		No Monitoring Activity	
		Number Completed	Percentage Completed	Number Completed	Percentage Completed	Number	Percentage
2014-2015	116	105	91%	8	7%	3	3%
2016-2017	117	33	28%	0	0%	84	72%

<sup>a</sup> Numbers may not equal 100 percent due to rounding.

Source: DOJ OIG analysis based on WebGrants

We found the amount of monitoring activities for the 2014-2015 subgrant cycle to be adequate and the MO DPS completed monitoring for 97 percent of its subrecipients. However, for the 2016-2017 subgrant cycle we found that only 28 percent of subrecipients had received a review by June 2017. In addition, we assessed whether the MO DPS complied with its policy to monitor new subrecipients within 6 to 8 months of the start of the subgrant cycle. We found that for the 13 new subrecipients, only 4 received a timely review.

As noted above, the transition of grant administration from the MO DPS to the MO DSS was not within our audit review period. However, we noticed that the WebGrants system contained entries indicating that the MO DSS performed monitoring of the majority of subrecipients following its assumption of grant responsibilities.

While we note that the transfer from the MO DPS to the MO DSS occurred within the last quarter of the subgrant cycle, we believe that a best practice would have been to conduct monitoring activities in compliance with MO DPS policy and throughout the entire subgrant cycle. We recommend that OJP ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipients that may not have received a desk audit or on-site visit.

#### Review of Performance Statistics

According to the MO DPS's monitoring procedures, the MO DPS reviewed programmatic information, including performance statistics, as a part of its subrecipient site visits. In advance of the site visit, the subrecipient was required to submit performance data related to its victim services for the current year-to-date, as well as for the 2 prior years. If an issue was identified, the MO DPS representative would discuss any questions directly with the subrecipient.

During our site visits of six subrecipients, we reviewed available support for select subrecipient-reported figures to confirm the performance statistics.<sup>19</sup> Specifically, we attempted to verify certain quantifiable items, including the number

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<sup>19</sup> Appendix 1 contains additional information on our sampling methodology.

of victims served, the number of new victims served, and the types of victim services provided. We were generally unable to reconcile the subrecipient supporting documentation against the information reported by the subrecipient in WebGrants. For 2 quarters of performance data submitted by the 6 subrecipients, we selected a sample of 67 data categories to test. We found that 48 of the 67 data categories tested, or 72 percent, did not match the supporting documentation. In addition, in some instances we found inadequate supporting documentation for the data reported by the subrecipients.

We believe that the discrepancies we identified indicate that the MO DPS's review of performance data during site visits was not adequate. Without accurate information, the MO DPS could not fully demonstrate the performance and effectiveness of activities funded by the VOCA awards. We recommend that OJP ensure that the Missouri state administering agency has adequate monitoring policies and procedures to provide assurance that subrecipients are reporting accurate performance information.

In conclusion, we found that the MO DPS's subrecipient monitoring practices needed improvement. While the MO DPS's financial monitoring of subrecipients was adequate, the MO DPS did not ensure that subrecipients received the prescribed level of programmatic monitoring. Moreover, we believe that the monitoring did not adequately ensure the reliability of performance data submitted by subrecipients. Therefore, we recommend that OJP ensure that the Missouri state administering agency performs adequate subrecipient monitoring to ensure that subrecipients comply with grant requirements and achieve performance goals.

## **CONCLUSION AND RECOMMENDATIONS**

Overall, we found the MO DPS used its grant funds to enhance services for crime victims. However, our audit identified certain deficiencies in several key areas. Although we found that the MO DPS planned for the increase in VOCA funding, we identified an instance in which the MO DPS selected a subrecipient to receive VOCA funding while a potential conflict of interest existed with a final deciding official. We also determined that the MO DPS did not comply with the program requirements for tracking the priority funding areas, did not adequately review and submit performance data, and did not provide SARs for all awarded subgrants. With respect to grant financial management, we determined that while the MO DPS generally complied with VOCA requirements for grant expenditures, we identified an improper allocation of annual leave, resulting in questioned costs of \$7,261. Finally, while we believe that the financial monitoring of subrecipients was adequate, we found that the MO DPS did not complete its programmatic monitoring with appropriate frequency, nor did it properly review performance data.

Our report contains 8 recommendations to OJP to improve the administration of the victim assistance grants provided to Missouri. Our findings were based upon the actions of the MO DPS and we did not audit any grant activity undertaken by the MO DSS, which assumed responsibility for these grants in July 2017. Nevertheless, we believe that OJP should ensure that future grant activity is performed in a manner consistent with our recommendations.

We recommend that OJP:

1. Ensure that the Missouri state administering agency evaluates the potential conflict of interest to determine if action is required.
2. Ensure that the Missouri state administering agency utilizes a formalized conflict of interest policy when making subgrant decisions.
3. Ensure that the Missouri state administering agency employs a reliable process for tracking priority funding areas.
4. Ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.
5. Ensure that the Missouri state administering agency has submitted SARs for all of its previously awarded VOCA subgrants.
6. Remedy the \$7,261 unallowable annual leave payout that was charged to the VOCA grant.
7. Ensure that the Missouri state administering agency has a compliant method for allocating annual leave payouts.
8. Ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipients that may not have received a desk audit or on-site visit.



**OBJECTIVE, SCOPE, AND METHODOLOGY****Objective**

The objective of the audit was to evaluate how the Missouri Department of Public Safety (MO DPS) 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-0005, 2015-VA-GX-0065, and 2016-VA-GX-0056 from the Crime Victims Fund (CVF) awarded to the MO DPS. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$86,880,364 to the MO DPS, which served as the state administering agency for the audited grants. On July 1, 2017, the administration of the VOCA victim assistance program changed from the MO DPS to the Missouri Department of Social Services. As such, the MO DPS administered and managed the audited VOCA victim assistance grants until June 30, 2017. Our audit focused on the administration of the VOCA victim assistance grants by the MO DPS. We did not review the performance or management of the grants after they were transferred to the Missouri Department of Social Services. Therefore, our audit concentrated on, but was not limited to, the period of October 2013, the project start date for VOCA assistance grant number 2014-VA-GX-0005, through June 2017. At the time of administration change to the Missouri Department of Social Services, the MO DPS had drawn down a total of \$15,975,433 from two of the audited grants and had not yet drawn down from the 2016 grant.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the MO DPS's activities related to the audited grants. The authorizing VOCA legislation, the VOCA victim assistance program guidelines, the OJP Financial Guide and DOJ Grants Financial Guides, and the award documents contain the primary criteria we applied during the audit. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and performance reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. For our selection of which subrecipients for which to conduct testing of performance reports, expenditures, and match transactions, as well as which subrecipients to observe through a site visit, we considered the dollar

value of awards to the subrecipients, geographical location throughout the state, and the results of monitoring site visits completed by the MO DPS. Our non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from OJP's Grants Management System and Performance Measurement Tool, as well as the MO DPS's WebGrants system and its accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

While our audit did not assess the MO DPS's overall system of internal controls, we did review the internal controls of the MO DPS's financial management system specific to the management of funds for each VOCA grant within our review. To determine whether the MO DPS adequately managed the VOCA funds we audited, we conducted interviews with state of Missouri financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We also developed an understanding of the MO DPS'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. We also reviewed the state of Missouri's most recent Single Audit Report.

**SCHEDULE OF DOLLAR-RELATED FINDINGS**

<u>Description</u>	<u>Amount</u>	<u>Page</u>
<b>Questioned Costs<sup>20</sup></b>		
Annual Leave Payout	\$7,261	13
<b>Total Questioned Costs</b>	<b>\$7,261</b>	
 <b>TOTAL DOLLAR-RELATED FINDINGS</b>	 <b><u>\$7,261</u></b>	

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<sup>20</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

**MISSOURI DEPARTMENT OF PUBLIC SAFETY  
RESPONSE TO THE DRAFT AUDIT REPORT**

**ERIC R. GREITENS**  
Governor

**CHARLES A. (DREW) JUDEN**  
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STATE OF MISSOURI  
**DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE DIRECTOR**

March 12, 2018

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Regional Audit Manager  
Chicago Regional Audit Office  
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U.S. Department of Justice  
500 West Madison Street, Suite 1121  
Chicago, IL 60661-2590  
**VIA: Electronic Mail at: [Carol.S.Taraszka@usdoj.gov](mailto:Carol.S.Taraszka@usdoj.gov)**

Dear Ms. Taraszka,

The Missouri Department of Public Safety (DPS) has received the draft report of the audit conducted by your office covering grant activities related to Victims of Crime (VOCA) grant numbers 2014-VA-GX-005, 2015-VA-GX-065 and 2016-VA-GX-0056.

As referenced in the draft report, effective July 1, 2017 the administration of the VOCA victim assistance program was transferred to the Missouri Department of Social Services. DPS administered and managed the audited VOCA victim assistance grants until June 30, 2017.

Eight recommendations were identified in the report on pages 20-21. Below you will see each recommendation from the report and our response for each:

**Recommendation 1 & Recommendation 2—**

Ensure that the Missouri state administering agency evaluates the potential conflict of interest to determine if action is required.

Ensure that the Missouri state administering agency utilizes a formalized conflict of interest policy when making funding decisions.

Highway Patrol • National Guard • State Emergency Management Agency • Fire Safety  
Office of Homeland Security • Alcohol & Tobacco Control • Capitol Police • Gaming Commission • Veterans Commission

**DPS Response to Recommendations 1 & 2—**

Partially Agree – Ultimately the decision to fund any subrecipient rests with the State Administrative Agency (SAA) per Title 28, Subpart B, 94.103, which states, “SAA’s have sole discretion to

determine which organizations will receive funds, and in what amounts, subject to the minimum requirements set forth in VOCA and this subpart.” The decision to make this award was made by the previous DPS (SAA) administration.

Upon taking office, on January 10, 2017 the current DPS administration (SAA) implemented a new procedure to evaluate potential conflicts of interest to determine if any action is required. Our written standard is: “No employee, officer or agency may participate in the selection, award or administration of a contract supported by Federal funding if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of those individuals, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”

**Recommendation 3—**

Ensure that the Missouri state administering agency employs a reliable process for tracking priority funding areas.

**DPS Response to Recommendation 3—**

Agree – After awarding funds to subrecipients DPS will update the actual amount of funds spent on each of the priority areas. While we are no longer the SAA for VOCA funds, this methodology will be developed and implemented with any grants we receive from OJP, as applicable. A copy of our methodology will be sent to the OIG and OJP by April 16, 2018.

**Recommendation 4—**

Ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.

**DPS Response to Recommendation 4—**

Agree – The Missouri state administering agency for VOCA funds should comply with OVC guidance to review and approve subrecipient-provided performance data.

**Recommendation 5—**

Ensure that the Missouri state administering agency has submitted Subgrant Award Reports (SARs) for all of its previously awarded VOCA subgrants.

**DPS Response to Recommendation 5—**

Agree – The Missouri state administering agency for VOCA funds should submit SARs for all previously awarded VOCA grants. Currently DPS does not have access to required VOCA reporting portals to confirm all SARs for previously award VOCA subgrants have been submitted. Action will be taken to address this recommendation and notice of the status of the action will be provided to the OIG and OJP by April 16, 2018.

**Recommendation 6 and Recommendation 7—**

Remedy the \$7,261 unallowable annual leave payout that was charged to the VOCA grant.

Ensure that the Missouri state administering agency has a compliant method for allocating annual leave payouts.

**DPS Response to Recommendations 6 and 7 —**

Partially Agree – DPS's standard practice for departing employees was to allocate the expense of leave based on the allocation of hours worked during the employee's final pay period. When the allocation was made DPS did not realize that the employee had only worked one day during the pay period.

2 C.F.R. § 200.431 states that annual leave must be equitably allocated to all related activities. In an effort to comply with this standard our new policy is, "Missouri DPS's standard practice is to allocate the expense of leave for departing employees based on the allocation of hours worked during the employee's last 24 pay periods." (Effective March 12, 2018)

The annual leave payout in question was \$7,261. The employee, based on time records, had spent 57% of her time on VOCA when applying Missouri DPS's new standard. The payout for annual leave attributable to VOCA should have been \$4,142.19. The \$4,142.19 is an allowable expense for VOCA. DPS will remit \$3,118.81 to OJP, as it should have been allocated against other funding by April 16, 2018.

**Recommendation 8—**

Ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipient that may not have received a desk audit or on-site visit.

**DPS Response to Recommendation 8—**

Agree - The Missouri state administering agency for VOCA funds should prioritize, as needed, the monitoring of subrecipients that may have not received a desk audit or on-site visit.

In closing, the Missouri Department of Public Safety appreciates the opportunity to respond to the audit report. If you have any questions, or require additional information, please contact me at [bruce.clemonds@dps.mo.gov](mailto:bruce.clemonds@dps.mo.gov) or at 573/526-9011.

Sincerely,



Bruce Clemonds  
Administrative Services Director  
Missouri Department of Public Safety

cc: Charles A. (Drew) Juden  
Director  
Missouri Department of Public Safety

Connie Berhorst  
Program Manager, Crime Victim Services/Juvenile Justice Unit  
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MISSOURI DEPARTMENT OF SOCIAL SERVICES  
RESPONSE TO THE DRAFT AUDIT REPORT



ERIC R. GREITENS, GOVERNOR • STEVE CORSE, Psy.D., DIRECTOR

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March 13, 2018

Carol Taraszka  
Regional Audit Manager  
Office of the Inspector General  
U.S. Department of Justice  
500 West Madison Street, Suite 1121  
Chicago, IL 60661

VIA: U.S. Mail and Electronic Mail at: [Carol.S.Taraszka@usdoj.gov](mailto:Carol.S.Taraszka@usdoj.gov)

Dear Ms. Taraszka:

Please accept this letter in response to the draft audit report on the Victim Assistance Formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Missouri Department of Public Safety (DPS) regarding grant numbers 2014-VA-GX-005, 2015-VA-GX-0065 and 2016-VA-GX-0056. As stated in the draft report, the grants listed above were awarded to DPS. On July 1, 2017, the State Administering Agency designation was changed by the Missouri Legislature and Governor to the Missouri Department of Social Services (DSS). While DSS has received completely new and separate grants from those audited by OIG, DSS appreciates the opportunity to provide a response to the findings.

The draft report contains eight recommendations and \$7,261 in questioned costs. This letter will serve as the DSS official response to the audit findings enumerated on pages 20-21 of the draft report. It should be noted that DSS employs different procedures from DPS; therefore, many of the recommendations listed will simply be addressed by stating the current operating procedure of the DSS. Each recommendation is listed below along with the DSS response:

**Recommendation 1.** Ensure that the Missouri state administering agency evaluates the potential conflict of interest to determine if action is required.

**DSS Response 1:** DSS concurs with this recommendation. DSS Administrative Policy 2-500 states, "All Department of Social Services (DSS) employees are to perform their assigned duties in a manner which precludes any potential for a conflict of interest or the appearance of a conflict of interest." Therefore, DSS does not and will not utilize any individual who has an affiliation with an applicant for VOCA funding to evaluate the application and/or make recommendations or decisions on awards of funding.

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The potential conflict of interest included in the findings of the audit pertains to DPS; therefore DSS will defer to DPS to make a determination regarding actions to be taken within DPS.

**Recommendation 2.** Ensure that the Missouri state administering agency utilizes a formalized conflict of interest policy when making subgrant decisions.

**DSS Response 2:** DSS concurs with this recommendation. DSS Administrative Policy 2-500 states, *"All Department of Social Services (DSS) employees are to perform their assigned duties in a manner which precludes any potential for a conflict of interest or the appearance of a conflict of interest."* Therefore, DSS does not and will not utilize any individual who has an affiliation with an applicant for VOCA funding to evaluate the application and/or make recommendations or decisions on awards of funding.

**Recommendation 3.** Ensure that the Missouri state administering agency employs a reliable process for tracking priority funding areas.

**DSS Response 3:** DSS concurs with this recommendation. DSS has a VOCA procedure manual. Contained within is a formalized, documented process for tracking priority funding areas on a monthly basis.

**Recommendation 4.** Ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.

**DSS Response 4:** DSS concurs with this recommendation. DSS has a VOCA procedure manual. Contained within is a formalized, documented process for review, monitoring and approval of subrecipient-provided performance data.

**Recommendation 5.** Ensure that the Missouri state administering agency has submitted SARs for all of its previously awarded VOCA subgrants.

**DSS Response 5:** DSS concurs with this recommendation. DSS has a VOCA procedure manual. Contained within is a formalized, documented process for review, approval and updating of SARs which are affiliated with grants awarded to DSS. However, at the present time DSS is unable to update all SARs due to the PMT system issues. DSS is working with OJP and PMT and has submitted multiple tickets requesting systems work and corrections to current programming. The PMT has acknowledged the issues and are currently attempting to make corrections. DSS is prepared to enter all information into the system once the system is available.

**Recommendation 6.** Remedy the \$7,261 unallowable annual leave payout that was charged to the VOCA grant.

**DSS Response 6:** DSS neither concurs nor denies this recommendation as all records of listed transaction(s) reside with DPS and are affiliated with a DPS awarded grant. DSS will defer to DPS to respond and to make any necessary adjustments within the DPS.

**Recommendation 7.** Ensure that the Missouri state administering agency has a compliant method for allocating annual leave payouts.

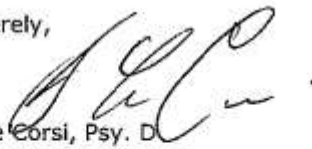
**DSS Response 7:** DSS concurs with this recommendation. DSS has a Public Administration Cost Allocation Plan (PACAP) which is utilized for all grant programs. Any leave payouts from DSS will be handled in accordance with the PACAP.

**Recommendation 8.** Ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipients that may not have received a desk audit or on-site visit.

**DSS Response 8:** DSS concurs with this recommendation. DSS has a VOCA procedure manual. Contained within is a formalized, documented process for both financial and programmatic monitoring.

The Missouri Department of Social Services appreciates the efforts of the auditors and look forward resolution of the recommendations in the report. If there are any questions or require additional information or documentation, please contact Director Dr. Steve Corsi ([steve.corsi@dss.mo.gov](mailto:steve.corsi@dss.mo.gov) or 573-751-4815) or Chief Financial Officer, Helen Jaco ([helen.jaco@dss.mo.gov](mailto:helen.jaco@dss.mo.gov) or 573-751-7533).

Sincerely,



Steve Corsi, Psy. D.  
Director

SC:LHL:bsb

Cc: Linda Taylor, U.S. Department of Justice/Office of Justice Programs  
Helen Jaco, Chief Financial Officer, Department of Social Services

**U.S. DEPARTMENT OF JUSTICE  
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

MAR 15 2018

MEMORANDUM TO: Carol S. Taraszka  
Regional Audit Manager  
Chicago 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, Office for Victims of Crime, Victim Assistance Grants Awarded to the Missouri Department of Public Safety, Jefferson City, Missouri*

This memorandum is in reference to your correspondence, dated February 26, 2018, transmitting the above-referenced draft audit report for the Missouri Department of Public Safety (MO DPS). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **eight** recommendations and **\$7,261** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP ensure that the Missouri state administering agency evaluates the potential conflict of interest to determine if action is required.**

OJP agrees with the recommendation. Effective July 1, 2017, the Missouri Department of Social Services (MO DSS) was designated as the State Administering Agency for the administration of Victims of Crime Act (VOCA) grant funds. Accordingly, we will coordinate with the MO DPS and MO DSS, as applicable, to obtain documentation from their evaluation of the potential conflict of interest related to a VOCA subgrant, and determine if action is required.

2. **We recommend that OJP ensure that the Missouri state administering agency utilizes a formalized conflict of interest policy when making subgrant decisions.**

OJP agrees with the recommendation. We will coordinate with the MO DSS (the new State Administering Agency) to obtain a copy of written policies and procedures, developed and implemented, to ensure that a formalized conflict of interest policy is utilized when making subgrant funding decisions.

3. **We recommend that OJP ensure that the Missouri state administering agency employs a reliable process for tracking priority funding areas.**

OJP agrees with the recommendation. We will coordinate with MO DSS to obtain a copy of written policies and procedures to ensure that a reliable process is implemented for tracking priority funding areas, under its VOCA grant program.

4. **We recommend that OJP ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.**

OJP agrees with the recommendation. We will coordinate with the MO DSS to obtain a copy of written policies and procedures, developed and implemented, to ensure compliance with guidance from OJP's Office for Victims of Crime (OVC) to review and approve subrecipient-provided performance data prior to submission.

5. **We recommend that OJP ensure that the Missouri state administering agency has submitted SARs for all of its previously awarded VOCA subgrants.**

OJP agrees with the recommendation. We will coordinate with the MO DSS to obtain a copy of the Subgrant Award Reports, which lists the subgrants awarded under its VOCA grant program.

6. **We recommend that OJP remedy the \$7,261 unallowable annual leave payout that was charged to the VOCA grant.**

OJP agrees with the recommendation. We will review the \$7,261 in questioned costs, related to an unallowable annual leave payout that was charged to Grant Number 2014-VA-GX-0005, and will work with the MO DPS and MO DSS, as applicable, to remedy the costs, as appropriate.

7. **We recommend that OJP ensure that the Missouri state administering agency has a compliant method for allocating annual leave payouts.**

OJP agrees with the recommendation. We will coordinate with the MO DSS to obtain a copy of written policies and procedures, developed and implemented, to ensure that its methodology for allocating annual leave payouts is in compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. § 200.431), and the Department of Justice Grants Financial Guide.

8. **We recommend that OJP ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipients that may not have received a desk audit or on-site visit.**

OJP agrees with the recommendation. We will coordinate with the MO DSS to obtain a copy of its most recent schedule for monitoring VOCA subrecipients, that may not have received a desk audit or on-site visit in prior fiscal years.

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

OJP Executive Secretariat  
Control Number IT20180227131619

**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 Department of Justice Office of Justice Programs (OJP), the Missouri Department of Public Safety (MO DPS), and the Missouri Department of Social Services (MO DSS). OJP's response is incorporated in Appendix 5 and the MO DPS and MO DSS responses are incorporated in Appendix 3 and Appendix 4, respectively, of this final report. In response to our draft audit report, OJP concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

**Recommendations for OJP:****1. Ensure that the Missouri state administering agency evaluates the potential conflict of interest to determine if action is required.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the previous and current Missouri state administering agencies to obtain documentation from the evaluation of the potential conflict of interest matter and determine if action is required.

MO DPS stated that it partially concurred with our recommendation and stated in its response that the decision to fund the subrecipient in question was made by the previous MO DPS administration. MO DPS further stated that since the current MO DPS administration took office on January 10, 2017, it established written standards addressing conflicts of interest. MO DPS stated that this new procedure was implemented to evaluate potential conflicts of interest to determine if any action is required. However, MO DPS did not provide documentation to support an evaluation of the potential conflict of interest identified in our audit.

MO DSS concurred with our recommendation and acknowledged in its response that MO DSS has a policy addressing conflict of interest. MO DSS further stated that the potential conflict of interest identified in our report pertains to MO DPS and that it defers to MO DPS to make a determination regarding any action that should be taken.

This recommendation can be closed when we receive evidence that OJP has coordinated with the Missouri state administering agency to evaluate the potential conflict of interest to determine if action is required.



**2. Ensure that the Missouri state administering agency utilizes a formalized conflict of interest policy when making subgrant decisions.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of written policies and procedures, developed and implemented, to ensure that a conflict of interest policy is utilized when making subgrant funding decisions.

MO DPS stated that it partially concurred with our recommendation and stated in its response that since the current MO DPS administration took office on January 10, 2017, it established written standards addressing conflict of interest matters; MO DPS did not provide documentation of this written standard.

MO DSS concurred with our recommendation and acknowledged in its response that it has a policy addressing conflict of interest during the evaluation and decision-making process for awarding VOCA funding. MO DSS provided an excerpt of its administrative policy that relates to conflicts of interest.

This recommendation can be closed when we receive evidence that OJP ensured that the Missouri state administering agency's conflict of interest policy is adequate.

**3. Ensure that the Missouri state administering agency employs a reliable process for tracking priority funding areas.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of written policies and procedures, to ensure that a reliable process is implemented for the tracking of the priority funding areas.

MO DPS concurred with our recommendation and stated in its response that although it is no longer the state administering agency for the VOCA victim assistance grants, MO DPS will develop methodology for subrecipients to update reported estimates with actual amounts and will apply this methodology to any applicable OJP grants. MO DPS stated that it will provide a copy of its methodology by April 16, 2018.

MO DSS concurred with our recommendation and stated in its response that it has a VOCA procedures manual that includes a process for tracking priority funding areas on a monthly basis; this VOCA procedures manual was not submitted with MO DSS's response.

This recommendation can be closed when we receive evidence that OJP ensured that the Missouri state administering agency has a reliable process for tracking priority funding areas.

**4. Ensure that the Missouri state administering agency complies with OVC guidance to review and approve subrecipient-provided performance data.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of written policies and procedures, developed and implemented, to ensure compliance with OVC guidance to review and approve subrecipient-provided performance data prior to submission.

MO DPS concurred with our recommendation and acknowledged in its response that the Missouri state administering agency should comply with OVC guidance to review and approve subrecipient-provided performance data.

Additionally, MO DSS concurred with our recommendation and stated that it has a VOCA procedures manual that includes a process for the review, monitoring, and approval of subrecipient-provided performance data. The response from MO DSS did not include this VOCA procedures manual.

This recommendation can be closed when we receive evidence that OJP ensured that the Missouri state administering agency has a reliable process for the review and approval of subrecipient-provided performance data.

**5. Ensure that the Missouri state administering agency has submitted SARs for all of its previously awarded VOCA subgrants.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of the SARs, which lists the subgrants awarded under its VOCA grant program.

MO DPS concurred with our recommendation and acknowledged in its response that it currently does not have access to the VOCA reporting portal (PMT). However, MO DPS stated that it will take steps to address this recommendation and will provide an updated status by April 16, 2018.

MO DSS concurred with our recommendation and acknowledged that it currently is unable to update all SARs due to PMT system issues. MO DSS is working with OJP to resolve the issues and is prepared to enter all information into the system once the PMT system is available.

This recommendation can be closed when we receive evidence that OJP ensured that the Missouri state administering agency has entered SARs for all of its previously awarded VOCA subgrants once PMT issues have been resolved.

**6. Remedy the \$7,261 unallowable annual leave payout that was charged to the VOCA grant.**

Resolved. OJP concurred with our recommendation. In its response, OJP stated that it will review and remedy, as appropriate, the \$7,261 in questioned costs related to the unallowable annual leave payout that was charged to the VOCA grant.

MO DPS stated that it partially concurred with our recommendation and acknowledged in its response that MO DPS based its annual leave payout for a departing employee on that employee having only worked 1 day during the final pay period, and that final day was charged entirely to VOCA activities. MO DPS stated that, effective March 12, 2018, it had established a new policy regarding annual leave payouts to comply with the Audit Requirements for Federal Awards (2 C.F.R. § 200.431). This new policy requires MO DPS to allocate the expense of leave for departing employees based on the allocation of hours worked during the employee's last 24 pay periods. Based on this new policy, MO DPS recalculated the annual leave payout at \$3,118.81 based on records that support the employee had spent 57 percent of time on VOCA-related activities in the previous 24 pay periods.

MO DSS neither concurred with nor denied our recommendation and stated that the recommendation relates to questioned costs during the audit scope, which does not pertain to MO DSS.

This recommendation can be closed when OJP provides us the results of its analysis, and any additional evidence it used in evaluating the annual leave payout and remedying the questioned costs.

**7. Ensure that the Missouri state administering agency has a compliant method for allocating annual leave payouts.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of written policies and procedures, developed and implemented, to ensure a compliant method for allocating annual leave payouts that is compliant with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. § 200.431) and the DOJ Grants Financial Guide.

MO DPS's response stated that it partially concurred with our recommendation. MO DPS stated that in order to comply with the Audit Requirements for Federal Awards (2 C.F.R. § 200.431), it established a new policy effective March 12, 2018. Although an excerpt of the policy was included in the response, MO DPS did not provide full documentation of this new policy.

MO DSS also concurred with our recommendation and stated that it has a Public Administration Cost Allocation Plan (PACAP), which would be utilized

for any leave payouts under all grant programs. However, MO DSS did not provide supporting documentation of this policy.

This recommendation can be closed when we receive evidence that OJP coordinated with the Missouri state administering agency to ensure that the annual leave payout policy is adequate.

**8. Ensure that the Missouri state administering agency prioritizes, as needed, the monitoring of subrecipients that may not have received a desk audit or on-site visit.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the current Missouri state administering agency to obtain a copy of its most recent schedule of VOCA subrecipient monitoring, which may not have received a desk audit or on-site review in prior fiscal years.

MO DPS concurred with our recommendation and acknowledged in its response that the VOCA state administering agency should prioritize, as needed, the monitoring of subrecipients that may have not received a desk audit or on-site visit.

MO DSS also concurred with our recommendation and stated that it has a VOCA procedures manual that includes a process for financial and programmatic monitoring. However, this VOCA procedures manual was not submitted and MO DSS did not provide information on how it will ensure the monitoring of subrecipients that may have not received a desk audit or on-site visit.

This recommendation can be closed when we receive evidence that OJP coordinated with the Missouri state administering agency to ensure that subrecipients that had not been monitored receive an appropriate review.



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