



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



**Audit of the Office of Justice  
Programs  
Victim Assistance and Victim  
Compensation  
Formula Grants Awarded to  
the South Dakota Department of  
Social Services  
Pierre, South Dakota**

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
VICTIM ASSISTANCE AND VICTIM COMPENSATION  
FORMULA GRANTS AWARDED TO  
THE SOUTH DAKOTA DEPARTMENT OF SOCIAL SERVICES  
PIERRE, SOUTH DAKOTA**

**EXECUTIVE SUMMARY**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of six Office of Justice Programs (OJP) Office for Victims of Crime (OVC) *Victims of Crime Act* (VOCA) grants awarded to the South Dakota Department of Social Services (SDDSS) located in Pierre, South Dakota. The SDDSS was awarded \$9,496,706 under VOCA Victim Assistance Grant Numbers 2013-VA-GX-0016, 2014-VA-GX-0012, 2015-VA-GX-0070, and VOCA Victim Compensation Grant Numbers 2013-VC-GX-0020, 2014-VC-GX-0027, and 2015-VC-GX-0055, to enhance crime victim services in South Dakota. As of September 13, 2016, the SDDSS had drawn down \$4,201,069 of the total grant funds awarded.

The objective of this audit was to evaluate the SDDSS design and implementation of its crime victim's assistance and compensation programs. To accomplish this objective, we assessed performance in the following areas of grant management: state program implementation, program performance and accomplishments, grant financial management, and monitoring of subrecipients.

Our audit did not identify any significant concerns regarding the SDDSS VOCA victim assistance subaward allocation plan or the administrative costs charged to the awards. However, we did find deficiencies in subrecipient monitoring, performance report documentation, and compensation claim payment procedures. Specifically, while we determined that the SDDSS has written monitoring procedures, we found that SDDSS has not been performing site visits and only recently started performing desk reviews. We also did not find the state's overall process of verifying the data reported by the subrecipients and included in performance reports to be adequate. Finally, the SDDSS has written policies and procedures for the payment of victim compensation claims, but not the verification of claim support and the calculation of payments.

Our report contains five recommendations to OJP, which are detailed later in this report. Our audit objective, scope, and methodology are discussed in Appendix 1. We discussed the results of our audit with SDDSS officials and have included their comments in the report, as applicable. In addition, we requested written responses to our draft audit report from the SDDSS and OJP, and their responses are included in appendices 2 and 3 of this report, respectively.

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**Table 1  
Victim Assistance and Compensation Grants Awarded  
to the South Dakota Department of Social Services**

<b>Grant Number</b>	<b>Award Date</b>	<b>Project Start Date</b>	<b>Project End Date</b>	<b>Award Amount</b>
<b>Victim Assistance Grants</b>				
2013-VA-GX-0016	08/27/2013	10/01/2012	09/30/2016	\$ 1,543,344
2014-VA-GX-0012	09/15/2014	10/01/2013	09/30/2017	\$ 1,631,330
2015-VA-GX-0070	09/15/2015	10/01/2014	09/30/2018	\$ 5,606,032
<b>Victim Compensation Grants</b>				
2013-VC-GX-0020	09/10/2013	10/01/2012	09/30/2016	\$ 305,000
2014-VC-GX-0027	08/12/2014	10/01/2013	09/30/2017	\$ 176,000
2015-VC-GX-0055	09/15/2015	10/01/2014	09/30/2018	\$ 235,000
<b>Total:</b>				<b>\$9,496,706</b>

Source: Office of Justice Programs (OJP) Grant Management System (GMS)

**Background**

The funds awarded under the Victim Assistance Formula grants are required to be used by the states and territories to support eligible crime victim assistance programs that provide direct services to crime victims. Eligible crime victim assistance programs are those that are operated by a public agency or a non-profit organization and provide services to victims of crime. Services generally include those efforts that: (1) respond to the emotional and physical needs of crime victims; (2) assist primary and secondary victims of crime; (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. All states and some territories receive an annual base amount of \$500,000; any additional funds are distributed based on population.

The funds awarded under the Victim Compensation Formula grants are required to be used by the states and territories for awards of compensation benefits to crime victims. An eligible crime victim compensation program is operated by the state and offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence. The victim compensation is made for: (1) medical expenses attributable to physical injury resulting from a compensable crime, including expenses for mental health counseling and care; (2) loss of wages attributable to physical injury resulting from a compensable crime; and (3) funeral expenses attributable to a death resulting from a compensable crime.

The SDDSS mission is the strengthening and supporting of individuals and families by promoting cost effective and comprehensive services in connection with partners that foster independent and healthy families. One of the key resources offered by the SDDSS is victims' services, which includes a Victims Services Program and a Crime Victims' Compensation Program. The Victims Services Program administers state and federal grants that provide funding to programs that offer shelter, advocacy, crisis counseling, and other victim's services to sexual assault, domestic violence, stalking, and other violent crime victims. The SDDSS Crime Victims' Compensation Program provides monetary assistance to victims of violent crimes.

## **OIG Audit Approach**

The objective of this audit was to evaluate the SDDSS design and implementation of its crime victim assistance and compensation programs. To accomplish this objective, we assessed performance in the following areas of grant management: state program implementation, program performance and accomplishments, grant financial management, and monitoring of subrecipients.

We tested compliance with what we consider to be the most important conditions of the grants. OVC awards these grants in accordance with VOCA, the Victim Compensation Final Program Guidelines (Victim Compensation Guidelines), the Victim Assistance Grant Program Final rule (Victim Assistance Guidelines), and the OJP and DOJ Financial Guides (Financial Guide).<sup>1</sup> These documents contain the primary criteria we applied during the audit.

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

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<sup>1</sup> The OJP Financial Guide governs the FY 2013 and 2014 grants in our scope, while the revised 2015 DOJ Financial Guide applies to the FY 2015 grants. The revised DOJ guide reflects updates to comply with the Uniform Grant Guidance, 2 C.F.R. part 200.

## **Victim Assistance Program Implementation Plan**

In Fiscal Year (FY) 2015, Congress significantly raised the previous year's cap on Crime Victim Fund disbursements, which more than tripled the available funding from \$745 million to \$2.36 billion. As a result, OVC increased its annual VOCA victim assistance grant to the SDDSS from \$1.6 million in FY 2014, to \$5.6 million in FY 2015.

### *Subaward Allocation Plan*

In response to the significant increase in FY 2015 funding available through the Crime Victims Fund, *OVC's FY 2015 VOCA Victim Assistance Grant Solicitation* required that state and territory applicants submit a preliminary plan for spending grant funds. As part of its application for VOCA Victim Assistance Grant No. 2015-VA-GX-0070, the SDDSS included a statement regarding its preliminary plan to subgrant funds. The statement includes information on how it will utilize administrative funds and a month-by-month timeline of its plan to subaward funds.

### *Selection Process for Subawards*

To assess how the SDDSS implemented its victim assistance program, we reviewed the selection process for awarding subawards. The SDDSS e-mails its annual subaward solicitations to each of its current subrecipients and also posts the solicitation to the SDDSS website. Awards are based on a formula to focus on who can provide services. Senior SDDSS officials review data for existing subrecipients, including types of victims served and the overall county population to see if the applicant was providing a service or if there was an increase in need for the service.

### *Subaward Requirements*

State administering agencies must adequately communicate VOCA requirements to its subrecipients. To assess how the SDDSS communicates VOCA requirements to its subrecipients, we reviewed its grant application guidelines for the three FY's under review along with the SDDSS subrecipient agreement template. The grant application guidelines include a grant overview listing the primary goals. There is also a Grant Eligibility Guideline section, which states that applicants must comply with the program guidelines, the financial and administrative guides, civil rights information and statistical and programmatic information. There is also a section on lobbying. In addition, there is a section on how the money should be spent, the supplanting rule, and links to the OVC website and the VOCA final program guidelines. Finally, the FY 2016 grant application includes language that says applicants must provide a certified copy of a certificate of incorporation establishing non-profit status, and the grant agreement includes a subrecipient information request form, which addressed the special condition requirement to post non-profit financial statements online.

Overall, specific to the victim assistance awards we did not identify any issues with the SDDSS process of selecting subrecipients and found that the SDDSS communicated applicable VOCA requirements to its subrecipients.

### **Victim Compensation Program Implementation**

VOCA provides that the Director of OVC shall make an annual grant from the Crime Victim Fund to an eligible crime victim compensation program for 60 percent of the amount awarded during the preceding fiscal year. To help with this effort, OVC developed the Crime Victim Compensation State Certification Form to collect the financial data from the states. VOCA and the Victim Compensation Guidelines require each state crime victim compensation program to report all sources of state revenue available to the crime victim compensation program during the FY. The total amount to be certified by the state program must include only those amounts paid from state funding sources to or on behalf of crime victims during the FY. Without this information, OVC cannot accurately calculate the annual grant award amounts for VOCA state crime victim compensation programs.

As a result, we reviewed the amounts reported by the SDDSS in its October 1, 2013, through September 30, 2014, Crime Victim Compensation State Certification Form and found the amounts reported were supported by the reports generated from South Dakota's accounting system. In addition, we reviewed the state's Crime Victims Compensation Program Statute and the function of the State Board of Internal Control. The Crime Victims Compensation Program Statute details the establishment and administration of the compensation program and the State Board of Internal Control establishes and maintains a conflict of interest policy for the state agencies.

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

To determine whether the SDDSS distributed victim assistance program funds to organizations serving crime victims or enhancing crime victim services, we reviewed the SDDSS's distribution of grant funding to subrecipients. We also interviewed grantee officials, reviewed grant solicitations and grant documentation to determine whether the SDDSS demonstrated adequate progress towards achieving the program goals and objectives. To determine whether the SDDSS collected and reported the required victim assistance and victim compensation data, we reviewed victim assistance and victim compensation performance reports. Finally, we reviewed the SDDSS's compliance with a special condition identified in the award documentation.

#### *Priority Area Funding Requirement*

VOCA guidelines require that the SDDSS award a minimum of 10 percent of the total grant funds to programs that service victims in each of the four following categories: 1) child abuse, (2) domestic abuse, (3) sexual assault, and (4) previously underserved. South Dakota defines underserved victims as adults molested as children, survivors of homicide victims, victims of intoxicated drivers,



victims of robbery, and victims of elder abuse. According to a SDDSS official, SDDSS staff review the proposed grants to ensure the required allocations are met. However, the SDDSS could not provide documentation supporting the review or the conclusions reached. As a result, the OIG could not determine if the state is on track to meet the required 10 percent allocation for the four victim categories. Therefore, we recommend OJP ensure the SDDSS documents its process for meeting the 10 percent allocation amounts for the four priority victim categories.

### *Performance Reports*

According to the Victim Assistance and Victim Compensation Guidelines, each state grantee is required to annually submit specific grant performance data on OVC-provided performance reports.<sup>2</sup> Additionally, the Financial Guide states that award recipients must agree to collect data appropriate for facilitating reporting requirements established by the Government Performance and Results Act. Award recipients must ensure that valid and auditable source documentation is available to support all data collected for each performance measure required by the program and included in the program solicitation or award. The SDDSS submitted annual performance reports for its victim assistance and victim compensation grants for FYs 2013 through 2016.<sup>3</sup> We discussed with a SDDSS official how they compiled reported performance report data and attempted to obtain and reconcile support for the program data reported for the most recent performance reports.

In our efforts to reconcile the support to the performance reports, we learned from SDDSS officials that the process of recreating support is lengthy and labor intensive. Specifically, we determined the SDDSS did not retain any summary information supporting performance reports. As a result, this information could only be recreated through a process that would require generating individual screen shots for the total number of victim compensation claim applications processed. For example, to reconstruct the January 1, 2016 through March 30, 2016 quarter would require the SDDSS to prepare individual screen shots for 64 victim compensation claim applications processed in order to obtain the date of birth, gender, and race data in order to verify the victim demographic data reported for that quarter. A similar process would be required to obtain support for the victim assistance performance reports. To provide support for the victim assistance performance reports, the SDDSS would have to generate four separate quarterly reports, per agency. There are approximately 42 subrecipients, which would translate to compiling and reconstructing data from approximately 168 reports.

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<sup>2</sup> During FY 2016, OVC began requiring state administering agencies to submit quarterly performance data through a web-based Performance Measurement Tool (PMT).

<sup>3</sup> The period of performance for both VOCA victim assistance and victim compensation grants is 4 years.

### Victim Assistance Performance Reporting

Subrecipients submit performance data through the state's Victims Services Management System (VSMS) and this is the data used by the SDDSS in the victim assistance performance reports. The SDDSS staff review the data provided through VSMS and if problems are identified subrecipients are contacted for clarification. In addition, when site visits are conducted, the subrecipient reporting process is reviewed.

Overall, we did not find the state's process of verifying the data reported by the subrecipients, including the data it used in its victim assistance performance reports, to be adequate. The SDDSS review process includes site visits, but we were informed by SDDSS officials in September of 2016 that they have not conducted site visits since October 2015 and they only started performing desk reviews in September 2016.<sup>4</sup> This issue further supports a recommendation made under the monitoring of subrecipients section of this report.

### Victim Compensation Performance Reporting

SDDSS officials were able to locate and provide supporting documents for the FY 2016 *Victim Compensation Performance Report* covering April 1, 2016 through June 30, 2016. The supporting documents included reports generated from SDDSS's Crime Victim Compensation (CVC) system with adjustments consisting of hand written notes and separate lined paper with additional hand written notes. To validate the accuracy of the SDDSS reported performance data, we reconciled the supporting documents to the numbers reported for the April 1, 2016 through June 30, 2016 quarterly victim compensation performance report. We were able to reconcile the number of victim compensation claim applications received and the number of applications approved during the reporting period. Additional victim demographic data and performance measure data were also supported by hand written notes. However, we could not verify whether population numbers were included in the support provided. Finally, we identified two errors in the Expense Types Paid section of the quarterly victim compensation performance report. Specifically, the mental health expenses reported under the crime of Assault was under reported by \$180, and one of the claim expenses was reported as \$20 when it was actually \$200. Further, the mental health expense reported under the crime of Child Sexual Assault was under reported by \$120, and one of the expenses was not included in the hand written notes used to compile the totals.

As a result of the manual process for compiling data to report in the performance reports, the OIG is unable to make a reasonable assessment as to the accuracy of the data reported in both the victim compensation and victim assistance performance reports. We also find the source documentation

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<sup>4</sup> During our audit, SDDSS officials stated they were working on contracting with an outside agency to assist with the completion of reviews and reports.

unauditable and not in compliance with the Financial Guide. As a result, we recommend OJP ensure that the SDDSS maintains auditable source documentation for the data reported in the victim compensation and victim assistance performance reports. In our judgment, the manual process of collecting the performance data contributes to the state's weakness in overall subrecipient monitoring.

### *Compliance with Special Conditions*

Special conditions are the contractual terms and conditions that are included with DOJ grant awards. According to the Financial Guide, special conditions may include additional requirements covering areas such as programmatic and financial reporting, prohibited uses of Federal funds, consultant rates, changes in key personnel, and proper disposition of program income. All six awards had a special condition requiring one key grantee official to attend the annual VOCA National Training Conference and we verified that one key SDDSS staff member attended the annual VOCA National Training conference for the applicable award years.

### **Grant Financial Management**

According to the Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds forwarded to them. To assess the SDDSS financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policies and procedures, and reviewed grant documentation to determine whether the SDDSS adequately safeguards the grant funds we audited. We also reviewed the SDDSS's most current Single Audit Report for FY 2015, which did not identify internal control weaknesses or significant non-compliance issues related to Department of Justice awards. Finally, we performed testing in the areas that were relevant for the administration and management of these grants.

### *Drawdown Process*

According to the Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. Award recipients should request funds based upon immediate disbursement or reimbursement requirements. Drawdown request should be timed to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. Table 4 shows the total amount requested for each grant as of September 2016.

**Table 2**  
**Amount Drawn Down For Each Grant as of September 2016**

<b>Award Number</b>	<b>Total Award</b>	<b>Amount Drawn Down</b>
2013-VA-GX-0016	\$1,543,344	\$1,543,344
2013-VC-GX-0020	\$305,000	\$305,000
2014-VA-GX-0012	\$1,631,330	\$1,631,330
2014-VC-GX-0027	\$176,000	\$176,000
2015-VA-GX-0070	\$5,606,032	\$369,145
2015-VC-GX-0055	\$235,000	\$176,250

Source: Office of Justice Programs (OJP) Grant Management System (GMS)

To determine whether the funds drawn down by the SDDSS matched the costs recorded in the grant general ledgers, we compared the grant general ledgers to the amounts drawn down. Specific to the victim assistance awards, we totaled the general ledger detail for subrecipient payments, then using quarterly allocated costs reports provided by the SDDSS we were able to add the administrative costs to the subrecipient payments to arrive at the amounts drawdown. We found the amounts drawdown for the victim assistance awards were supported by the state’s accounting records.

For the victim compensation awards, the claims paid with both the state and federal victim compensation funds are combined into one fund source. Since these payments are not specifically identifiable as state or federal funds, we were unable to compare the drawdown amounts to the SDDSS general ledger.<sup>5</sup> The SDDSS divides the total federal victim compensation award amount by four and draws down on a quarterly basis. As a control step, the SDDSS totals the combined compensation general ledger by quarter to ensure it exceeds the amount drawdown. We also totaled the combined compensation general ledger, and although we could not distinguish between federal or state sources of funds, we conclude the victim compensation claims exceeded what was drawdown.

*Grant Expenditures*

According to the Financial Guide, an allowable expense must be reasonable, properly allocated, and adequately supported. It also must comply with applicable policies and procedures. The SDDSS VOCA expenses fall into three overarching categories: (1) administrative expenses, (2) reimbursements to subrecipients, and (3) compensation payments to victims of crime. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. Table 2 details the administrative, subrecipient, and victim compensation expenses that the SDDSS charged to the audited grants as of September 2016.

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<sup>5</sup> On March 7, 2017, OJP provided a revision to the 2015 DOJ Financial Guide to clarify requirements related to the OVC Victim Compensation Program. This revision states that for the OVC Victim Compensation Program, there is no financial requirement to identify the source of individual payments to crime victims as either federal or state dollars.

**Table 3**  
**Grant Expenditures**

Grant Number	Expenditures			Total
	SDDSS Administrative Expenditures	Subrecipient Payments	Victim Compensation payments	
2013-VA-GX-0016	\$74,691	\$1,468,653	-	\$1,543,344
2013-VC-GX-0020	\$0	-	\$305,000	\$305,000
2014-VA-GX-0012	\$81,567	\$1,549,764	-	\$1,631,331
2014-VC-GX-0027	\$0	-	\$176,000	\$176,000
2015-VA-GX-0070	\$4,334	\$426,451	-	\$430,786
2015-VC-Gx-0055	\$0	-	\$176,250	\$176,250

Source: The SDDSS accounting records

SDDSS Administrative Expenditures

The Victim Assistance and Victim Compensation Guidelines allow state recipients to retain 5 percent of award funds for grant administration and training for service providers and allocate the remainder to direct services for victims of crime. The SDDSS does not charge any administration costs to the victim compensation awards. Per the Financial Guide, if a federal awarding agency has approved an indirect cost rate or allocation plan, then another awarding agency must accept the same indirect cost rate or allocation plan. The SDDSS has an approved Cost Allocation Plan with the Department of Health and Human Services and it uses the Cost Allocation Plan to charge administration costs to the victim assistance awards. According to the approved allocation plan, the allocation of Victims Services Administration costs will be based upon staff time expended in each program area as reflected through time study data.

The SDDSS charges all victim services allocated costs to the same account. As a result, if the allocated costs were totaled up it would exceed the VOCA 5 percent administration cost limit. The SDDSS uses the same quarterly allocated cost reports to determine the drawdown amounts to verify it is not exceeding the 5 percent cost limit for the administrative expenses related to the victim assistance awards. We reviewed the quarterly reports provided by the state as part of our drawdown analysis and confirmed for the 2013 and 2014 awards, the SDDSS did not exceed the 5 percent administrative expenditure limit and for the 2015 award it appears it is on track not to exceed the 5 percent cost limit.<sup>6</sup>

VOCA Victim Assistance Subrecipient Payments

For the victim assistance awards, we judgmentally selected 20 payments to subrecipients totaling \$274,619 from the SDDSS general ledgers for Grant Numbers 2013-VA-GX-0016, 2014-VA-GX-0012, and 2015-VA-GX-0070. The SDDSS does not require subrecipients to submit support with its payment requests so for the

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<sup>6</sup> As of September 2016, the SDDSS has not drawn down all of the 2015-VA-GX-0070 award.

purpose of our audit it obtained supporting documentation for the 20 payments we selected. Our review of the documentation showed the subrecipient payments were supported. However, according the Financial Guide, in regards to subrecipient monitoring support, the state's system should involve monitoring of cash drawdowns by subrecipients to assure it conforms to the same standards of timing and amount as apply to advances to the state. In addition, the state must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. The state cannot monitor subrecipient drawdown request and properly assess subrecipient's risk of noncompliance if it is not reviewing subrecipient drawdown supporting documentation. This issue further supports a recommendation made under the subrecipient monitoring section of this report.

### VOCA Victim Compensation Payments

For the victim compensation awards, we judgmentally selected and reviewed 22 victim compensation claim payments totaling \$176,413. We found all 22 victim compensation claim transactions in our sample had a police report and the claim payments were within the state law monetary limits and for 19 of the 22 transactions in our sample the amount paid was accurate.<sup>7</sup> For 1 of the 22 reviewed victim compensation claims we could not determine if the amount paid was accurate or the claim supported because a claim calculation sheet was not in the claim file and could not be located. For an additional victim compensation claim, we found the amount paid was accurate but that the application was submitted 1 year after the crime occurred. The South Dakota statute governing the CVC program specifies an application for victim compensation must be filed within 1 year after the date of the personal injury or death. However, according to SDDSS officials, in practice, victim compensation claims are accepted 1 year and 1 month after reported. For another claim, the Compensation Investigator used the incorrect amount from one of the insurance forms. The Medicaid rate was not used, as is South Dakota state policy, the full amount charged by the hospital was used instead, which lead to an overpayment of \$282 to the hospital.<sup>8</sup> Finally, for one claim we found Medicaid rates were not used and no support could be located as to why it was not used.

We also selected a judgmental sample of 7 denied victim compensation claims from a universe of 199 denied claims, and 1 withdrawn victim compensation claim from a universe of 9 withdrawn claims. The files maintained by the SDDSS for denied and withdrawn claims were reviewed and we found the SDDSS appropriately adjudicated the seven denied and the one withdrawn victim compensation claim reviewed. We did note, as with the payment of victim

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<sup>7</sup> According to South Dakota statute governing the CVC program, funeral and burial expense may not exceed \$8,000 and compensation granted any one victim may not exceed \$15,000.

<sup>8</sup> We will not question the \$282 overpayment amount as unallowable because we are unable to determine if the claim was paid with state or federal victim compensation funds and the amount is immaterial.

compensation claims, the decision to deny a claim is based on the sole judgment of a Compensation Investigator.

The SDDSS has written policies and procedures for the payment of victim compensation claims, but not the verification of claim support and the calculation of payments. From reviewing the written policies and procedures for the payment of victim compensation claims and from interviewing SDDSS officials, we determined that there is segregation of duties when it comes to paying victim compensation claims but the verification of claims support and the calculation of payments is left to the sole discretion of the Compensation Investigators.

The issues identified in the victim compensation claim file review could have been avoided if the SDDSS had policies on the verification of claim support and the calculation of payments, which including conducting a thorough review of claim files prior to the paying or denying a claim. This would add a control to ensure the conclusions reached by the Compensation Investigators are sound and the calculations are accurate and properly documented. As a result we recommend OJP ensure the SDDSS establishes formal written policies and procedures regarding the verification of claim support and the calculation of payments, and the formal written policies and procedures include a thorough review of claim files prior to the paying or denying a claim to ensure the conclusions reached by the Compensation Investigators are sound, and the calculations are accurate and properly documented.

We also calculated the number of days between when a victim compensation claim application was received and a payment was made. Out of the 22 victim compensation claims reviewed, only one was paid in less than 50 days and the longest took 636 days for an average of 197 days. According to SDDSS officials, they recognize the timely payment of claims is a priority issue and are implementing changes, which include working with staff to identify specific cases as high priority for immediate resolution, providing instruction and assistance to staff who review and make decisions on pending claims, and holding regular meeting with each Compensation Investigator to identify progress on claims, including the claims that were designated as high priority. We recommend OJP ensure the SDDSS pay victim compensation claims in a timely manner.

#### *VOCA Victim Assistance – Subrecipient Matching Contributions*

In accordance with the Victim Assistance Guidelines, subrecipients must provide a 20 percent matching contribution. The SDDSS includes information on the match requirement in its grant announcements, its grant applications, and again in the grant agreements it signs with the subrecipients. SDDSS subrecipients report their match contributions with their monthly drawdown requests. However, as previously mentioned, the SDDSS does not require subrecipients to submit support with these requests. As part of our expenditure testing, we reviewed support for match amounts reported in monthly drawdowns. We found the match requirements were met with either staff hours, volunteer hours, or in-kind donations and the valuation appeared reasonable. However, to properly monitor

subrecipient compliance with the match requirement, the SDDSS should include periodic testing of subrecipients supporting documentation in their monitoring procedures. We make this recommendation in the subrecipient monitoring section of this report.

### *Financial Reporting*

According to the Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred, as well as cumulative expenditures, for the reporting period on each financial report. To determine whether the SDDSS submitted accurate Federal Financial Reports (FFRs), we compared the four most recent reports to the SDDSS accounting records for each grant. We determined that quarterly and cumulative expenditures for the victim assistance reports reviewed matched the accounting records. As discussed in the drawdown section of this report, the victim compensation claims paid with both state and federal victim compensation funds are combined into one fund source. Since these payments are not specifically identifiable as state or federal funds, we were unable to compare the expenditures reported in the FFRs to the SDDSS general ledger. The SDDSS divides the victim compensation award amount by four and reports that number in the quarterly FFRs. Again, as a control step, the SDDSS totals the combined compensation general ledger by quarter to ensure it exceeds the amounts reported in the FFRs. We also totaled the combined compensation general ledger, and although we could not distinguish between federal or state sources of funds, we concluded that the victim compensation claim costs exceed what was reported in the FFRs.

### **Monitoring of Subrecipients**

The Financial Guide states the purpose of subrecipient monitoring is to ensure that federal program funds are being spent in accordance with the federal program and grant requirements, laws, and regulations, and ensure the subaward performance goals are achieved. Further, the SDDSS as the primary grant recipient should develop systems, policies, and procedures to ensure that all fiscal and programmatic subrecipient activities are conducted in accordance with these requirements. Additionally, the primary recipient should ensure that subrecipients are appropriately monitored. The Financial Guide also provides mechanisms that grantees may use to monitor subrecipients. These mechanisms include:

- Reviewing monthly financial and performance reports submitted by the subrecipient.
- Performing subrecipient site visits to examine financial and programmatic records and observe operations.



- Reviewing detailed financial and program data and information submitted by the subrecipient when no site visit is conducted. Documents to review might include timesheets, invoices, contracts, and ledgers that tie back to financial reports.
- Regularly communicating with subrecipients and appropriate inquiries concerning program activities.

To assess how the SDDSS monitored its VOCA subrecipients, we interviewed SDDSS and subrecipient personnel and identified the SDDSS monitoring procedures. The SDDSS has written grantee monitoring procedures, monitoring documents, a site visit questionnaire, a desk review questionnaire, and corrective action plan policies.

The written monitoring procedures discuss the types of monitoring that is to be performed: desk reviews, on-site reviews, informal visits, and educational on-site visits. The procedures also have a monitoring schedule section, which says all grantees will be monitored on a regular basis and the goal will be to perform 26 on-site review visits per year. In addition, the written monitoring procedures include VOCA Statutory Requirements section, which state that, at a minimum, the state is responsible for ensuring subrecipients record and report victim service performance data, keep accurate timekeeping and equipment records for VOCA related activities and expenses, and document all costs supported by VOCA funds.

The monitoring documents include sections on civil rights compliance, personnel, fiscal management, employee time, match, and funding. In addition, the monitoring documents ask how subrecipient staff notify clients about the victim compensation program. The questionnaires mirror the monitoring documents by including the same sections and the corrective action plan details what policy revisions need to be made as a result of the state's monitoring.

In addition, according to SDDSS officials, it is the SDDSS policy to conduct on-site reviews on half the subrecipients and desk reviews on the other half of the subrecipients each year and then reverse the order in the next year. However, SDDSS officials said they are not doing this. In fact, they just started performing desk reviews in September of 2016, our first week of fieldwork.

SDDSS officials provided us with a spreadsheet listing the subrecipient site visits conducted through 2016. From these spreadsheets we determined the last site visit was conducted in October of 2015. In addition, we were provided a spreadsheet with the planned site reviews and desk reviews for 2016 and 2017. We later learned that the schedule might change as the SDDSS had just contracted with an outside agency to assist with the completion of reviews and reports.

While we determined that the SDDSS has written monitoring procedures, monitoring documents, a site visit questionnaire, a desk review questionnaire, and

corrective action plan policies, we found that they have not been performing site visits since October 2015 and only recently started performing desk reviews. In addition, as stated previously, the SDDSS does not require subrecipients to submit supporting documentation with its payment requests; therefore, the SDDSS is not reviewing financial data such as timesheets, invoices, and ledgers. Also, as discussed in the Performance Reports section of this report, the SDDSS's process of verifying the data reported by the subrecipients includes site visits. However, since the SDDSS has not been performing site visits, it is also not verifying the subrecipients' performance reporting process.

Finally, we conducted site visits to 5 subrecipients who were part of subrecipient payment transaction testing. During these site visits, we interviewed subrecipient officials to discuss grant program performance and the SDDSS monitoring. The five subrecipients use different types of intake documents to track data on the clients they serve. Each subrecipient compiles data from the various intake documents it uses and submits the data to the SDDSS. Overall, the subrecipients said the SDDSS is reliable and responsive to questions.

As a result of our analysis of the SDDSS monitoring of subrecipients, and further supported by the results of our Grant Financial Management analysis, we conclude the SDDSS can improve monitoring the subrecipients through completion of regular site visits, desk reviews, and periodically testing subrecipient supporting documentation. Therefore, we recommend OJP ensure that the SDDSS fully complies with its monitoring procedures through completion of site visits and desk reviews of subrecipients. In addition, OJP should ensure that SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipients and subrecipients' compliance with the match requirement. Such steps could include the review of supporting documentation on a test basis for information reported on the subrecipients' drawdown request forms, including the match contribution, or other steps that would ensure that subrecipient payments are appropriate and fully supported.

## **Conclusion**

We did not identify significant issues regarding the SDDSS program implementation plan, and we determined the SDDSS has an approved cost allocation plan, which is used to calculate the administrative costs charged to the victim assistance awards. However, to ensure it manages VOCA funding appropriately in accordance with requirements, the SDDSS needs to improve its monitoring of subrecipients and ensure victim compensation claims are reviewed and paid in a timely manner. We provide five recommendations to improve the SDDSS's management of VOCA awards.

## **Recommendations**

We recommend that OJP:

1. Ensure the SDDSS documents its process for meeting the 10 percent allocation amounts for each of the four priority victim categories.
2. Ensure that the SDDSS maintains auditable source documentation for the data reported in victim compensation and victim assistance performance reports.
3. Ensure the SDDSS establishes formal written policies and procedures regarding the verification of claim support and the calculation of payments. The formal written policies and procedures need to include a thorough review of claim files prior to the paying or denying a claim to ensure the conclusions reached by the Compensation Investigators are sound, and the calculations are accurate and properly documented.
4. Ensure the SDDSS pay victim compensation claims in a timely manner.
5. Ensure that the SDDSS fully complies with its monitoring procedures through completion of site visits and desk reviews of subrecipients. In addition, OJP should ensure that SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipients and subrecipients' compliance with the match requirement. Such steps could include the review of supporting documentation on a test basis for information reported on the subrecipients' drawdown request forms, including the match contribution, or other steps that would ensure that subrecipient payments are appropriate and fully supported.

## APPENDIX 1

### OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate how the South Dakota Department of Social Services (SDDSS) designed and implemented its crime victim assistance and compensation programs. To accomplish this objective, we assessed performance in the following areas of grant management: state program implementation, program performance and accomplishments, grant financial management, and monitoring of subrecipients.

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 objectives. 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 Office of Justice Programs (OJP) grants awarded to the SDDSS under the Victims of Crime Act (VOCA) Victim Assistance Formula grant program and VOCA Victim Compensation Formula grant program:

- 2013-VA-GX-0016, awarded for \$1,543,344
- 2013-VC-GX-0020, awarded for \$ 305,000
- 2014-VA-GX-0012, awarded for \$1,631,330
- 2014-VC-GX-0027, awarded for \$ 176,000
- 2015-VA-GX-0070, awarded for \$5,606,032
- 2015-VC-GX-0055, awarded for \$ 235,000

As of September 13, 2016, the SDDSS had drawn down \$4,201,069 of the total grant funds awarded. Our audit concentrated on, but was not limited to, October 2012 through November 2016.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the SDDSS's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including subrecipient expenditures and victim compensation payments to victims of crime. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The OJP and DOJ Financial Guides, the Victim Compensation Guidelines, the Victim Assistance Final Rule, the SDDSS Policies and Procedures, and the award documents contain the primary criteria we applied during the audit. We also reviewed the SDDSS's most recent Single Audit report for FY 2015.

During our audit, we obtained information from OJP's Grant Management System (GMS) as well as the SDDSS's accounting system specific to the

management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

**THE SDDSS'S  
RESPONSE TO THE DRAFT AUDIT REPORT**



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June 21, 2017

Mr. David M. Sheeren  
United States Department of Justice  
Office of the Inspector General  
Denver Regional Audit Office  
1120 Lincoln, Suite 1500  
Denver, CO 80203

RE: Draft Audit Report- Audit of the Office of Justice Programs Victims Assistance and Victims Compensation Formula Grants Awarded to the State of South Dakota, Department of Social Services (SDDSS).

Dear Mr. Sheeren:

Thank you for the opportunity to provide a response to the draft report of the above referenced audit. The review period for this audit was October 2012 to September 2016. For ease of reference, we have restated the recommendation, then provided the Department's response.

Recommendation 1: Ensure the SDDSS documents its process for meeting the 10% allocation amounts for each of the four priority victim categories.

Response: We do not concur that SDDSS is not documenting 10% allocation procedures. Sub-recipients identify in their applications for funding, the allocation to the four priority categories. SDDSS is enhancing its procedures to include sub-recipient reporting by priority category so that allocation amounts can be documented and verified as expenditures are incurred.

Recommendation 2: Ensure the SDDSS maintains auditable source documentation for the data reported in victim compensation and victim assistance performance reports.

Response: SDDSS does not concur with the recommendation. The SDDSS does maintain auditable source documentation for the data reported in victim compensation and victim assistance performance reports. While this documentation includes several subsystem reports that require manual aggregation for performance reporting, auditable source documentation is available. As SDDSS works to develop a more robust information technology system to maintain program reporting, we intend to automate this process to gain efficiencies and reduce or eliminate manual aggregation of multiple reports.

Recommendation 3: Ensure SDDSS establishes formal written policies and procedures regarding the verification of claim support and the calculation of payments. The formal written policies and procedures need to include a thorough review of claim files prior to the paying or

denying the claim to ensure the conclusions reached by the Compensation Investigators are sound, and the calculations are accurate and properly documented.

Response: SDDSS concurs with the recommendation. SDDSS has enhanced its current procedures to clarify certain steps of the claim review and verification process. Specific training to Compensation Investigators occurred in December 2016 and will be on-going to ensure procedures are implemented effectively. The SDDSS has also enhanced its review procedures to include a second level review to enhance quality and program oversight. Formal written policies and procedures to document the process regarding the verification of claim support and the evaluation of payments are currently being drafted. The policies and procedures will be finalized and implemented prior to October 31, 2017.

Recommendation 4: Ensure the SDDSS pay victim compensation claims in timely manner.

Response: SDDSS concurs that compensation claims payments should be timely. For the purposes of determining eligibility and paying claims, SDDSS requires a complete application and supporting documents including certain reports from law enforcement or medical records before a claim is able to be verified and processed. For the purpose of timely payment calculation, the OIG appears to have considered the timeframe from the date the application was received, regardless if the application was complete, and included the timeframe the SDDSS was awaiting police reports or other necessary information. Individuals can be determined eligible for the program but not have submitted a claim or reimbursement request at the time of application. Victims can submit bills to the program up to one year after a decision has been made regarding eligibility for the program. Out of the 22 claims reviewed if you calculate the timeframe for timely payment once a complete application and all necessary documentation is received, the average length of time for payment was 68 days. SDDSS is working closely with agencies, including monitoring and corresponding with agencies to expedite return of records or other necessary information from external entities.

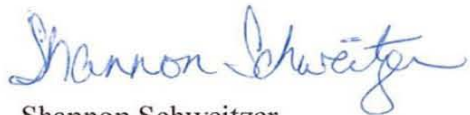
Recommendation 5: Ensure the SDDSS fully complies with its monitoring procedures through completion of site visits and desk reviews of sub recipients. In addition the OJP should ensure that SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipient's and subrecipients' requirements with the match requirement. Such steps could include the review of supporting documentation on a test basis for information reported on the subrecipients drawdown request forms, including the math contribution, or other steps that would ensure that subrecipient payments are appropriate and fully supported.

Response: SDDSS concurs that the monitoring procedures were not fully complied with continually during the entire audit review period. Due to staffing transitions, SDDSS recognizes that during a portion of the review period, monitoring visits were not conducted according to the scheduled timeframe. As outlined in the draft report, SDDSS recognizes the importance of subrecipient oversight and garnered additional resources to assist in ensuring both on-site and desk reviews are completed according to SDDSS policies.

In addition to on-site and desk reviews, SDDSS does evaluate reimbursement requests and other supporting documentation to identify any anomalies and completes additional research, including requesting information from providers, as necessary. SDDSS is further enhancing its procedures for drawdown requests to contain additional supporting documentation relative to certain categories of expenditures, including match requirement documentation, which will be finalized and implemented prior to October 31, 2107. SDDSS will continue to conduct post payment reviews as part of its on-site and desk monitoring procedures.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Shannon Schweitzer". The signature is fluid and cursive, with the first name being more prominent.

Shannon Schweitzer  
Victim's Services Program Manager

---

Cc: Laurie Mikkonen, CFO  
Bill Reynski, Accounting and Financial Reporting Manager  
Lynne Valenti, Secretary of SDDSS



**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

JUL - 3 2017

MEMORANDUM TO: David Sheeren  
Regional Audit Manager  
Denver 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, Victims Assistance and Victims Compensation Formula Grants Awarded to the South Dakota Department of Social Services, Pierre, South Dakota*

This memorandum is in reference to your correspondence, dated June 1, 2017, transmitting the above-referenced draft audit report for the South Dakota Department of Social Services (SDDSS). We consider the subject report resolved and request written acceptance of this action from your office.

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

- 1. We recommend that OJP ensure the SDDSS documents its process for meeting the 10 percent allocation amounts for each of the four priority victim categories.**

OJP agrees with this recommendation. We will coordinate with SDDSS to obtain written policies and procedures, developed and implemented, to ensure that it adheres to the 10 percent allocation amounts for each of the four priority area, as outlined in the Victims of Crime Act (VOCA), Victim Assistance Grant Program Guidelines.

- 2. We recommend that OJP ensure that the SDDSS maintains auditable source documentation for the data reported in victim compensation and victim assistance performance reports.**

OJP agrees with this recommendation. We will coordinate with SDDSS to obtain written policies and procedures, developed and implemented, to ensure that source documentation for data reported in the annual Victim Compensation and Victim Assistance performance reports is maintained for future auditing purposes.

- 3. We recommend that OJP ensure the SDDSS establishes formal written policies and procedures regarding the verification of claim support and the calculation of payments. The formal written policies and procedures need to include a thorough review of claim files prior to the paying or denying a claim to ensure the conclusions reached by the Compensation Investigators are sound, and the calculations are accurate and properly documented.**

OJP agrees with this recommendation. We will coordinate with SDDSS to obtain written policies and procedures, developed and implemented, to strengthen controls pertaining to the verification of claim support and the calculation of payments.

- 4. We recommend that OJP ensure the SDDSS pay victim compensation claims in a timely manner.**

OJP agrees with this recommendation. We will coordinate with SDDSS to obtain written policies and procedures, developed and implemented, to ensure that Victim Compensation claims are paid in a timely manner.

- 5. We recommend that OJP ensure that the SDDSS fully complies with its monitoring procedures through completion of site visits and desk reviews of subrecipients. In addition, OJP should ensure that SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipients and subrecipients' compliance with the match requirement. Such steps could include the review of supporting documentation on a test basis for information reported on the subrecipients' drawdown request forms, including the match contribution, or other steps that would ensure that subrecipient payments are appropriate and fully supported.**

OJP agrees with this recommendation. We will coordinate with SDDSS to obtain written policies and procedures, developed and implemented, to ensure compliance with its subrecipient monitoring procedures, through completion of site visits and desk reviews. Additionally, we will ensure that SDDSS addresses, within its monitoring procedures, the risks associated with payments made to its subrecipients, and subrecipients' compliance with the matching requirement.

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.

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

cc: Lara Allen  
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Office of the Assistant Attorney General

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OJP Executive Secretariat  
Control Number IT20170601150513

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the South Dakota Department of Social Services (SDDSS) and Office of Justice Programs (OJP). The SDDSS response is incorporated in Appendix 2 and OJP's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP concurred with our recommendations. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

**Recommendations for OJP:**

**1. Ensure the SDDSS documents its process for meeting the 10 percent allocation amounts for each of the four priority victim categories.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the SDDSS to obtain written policies and procedures, developed and implemented, to ensure that it adheres to the 10 percent allocation amounts for each of the four priority areas, as outlined in the Victims of Crime Act (VOCA), Victim Assistance Grant Program Guidelines.

The SDDSS did not agree with our recommendation. In its response the SDDSS said subrecipients identify in their applications for funding the allocation to the four priority categories. Despite disagreement with our recommendation, the SDDSS said in its response to the draft report that it is enhancing its procedures to include sub-recipient reporting by priority category so that allocation amounts can be documented and verified as expenditures are incurred. As the OIG stated in the draft report, according to a SDDSS Official, SDDSS staff review the proposed grants to ensure the required allocations are met. However, the SDDSS could not provide documentation supporting the review or the conclusions reached. As a result, the OIG could not determine if the state is on track to meet the required 10 percent allocation for the four victim categories.

This recommendation can be closed when we receive the developed and implemented written policies and procedures, ensuring that SDDSS adheres to the 10 percent allocation amounts for each of the four priority areas.

**2. Ensure that the SDDSS maintains auditable source documentation for the data reported in victim compensation and victim assistance performance reports.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the SDDSS to obtain written policies and procedures, developed and implemented, to ensure that source documentation for data

reported in the annual Victim Compensation and Victim Assistance performance reports is maintained for future auditing purposes.

The SDDSS did not agree with our recommendation. In its response, the SDDSS stated it maintains auditable source documentation for the data reported in victim compensation and victim assistance performance reports. The SDDSS said while this documentation includes several subsystem reports that require manual aggregation for performance reporting, auditable source documentation is available. The SDDSS also said it is working toward developing a more robust information technology system to maintain program reporting, and it intends to automate this process to gain efficiencies and reduce or eliminate manual aggregation of multiple reports. As stated in the draft report, the SDDSS did not retain any summary information supporting performance reports. As a result, this information could only be recreated through a process that would require generating individual screen shots for the total number of victim compensation claim applications processed. The supporting documents included reports generated from SDDSS's Crime Victim Compensation (CVC) system with adjustments consisting of hand written notes and separate documents with additional hand written notes. As a result, we found this source documentation to be unauditible and not in compliance with the Financial Guide.

This recommendation can be closed when we receive the developed and implemented written policies and procedures ensuring that source documentation for data reported in the annual Victim Compensation and Victim Assistance performance reports is maintained for future auditing purposes.

**3. Ensure the SDDSS establishes formal written policies and procedures regarding the verification of claim support and the calculation of payments. The formal written policies and procedures need to include a thorough review of claim files prior to the paying or denying a claim to ensure the conclusions reached by the Compensation Investigators are sound, the calculations are accurate and properly documented.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the SDDSS to obtain written policies and procedures, developed and implemented, to strengthen controls pertaining to the verification of claim support and the calculation of payments.

The SDDSS agreed with our recommendation. In its response the SDDSS said formal written policies and procedures to document the verification of claim support and the evaluation of payments are being drafted. The policies and procedures will be finalized and implemented prior to October 31, 2017.

This recommendation can be closed when we receive the final, implemented procedures that strengthen controls pertaining to the verification of claim support and the calculation of payments.

**4. Ensure the SDDSS pay victim compensation claims in a timely manner.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the SDDSS to obtain written policies and procedures, developed and implemented, to ensure that Victim Compensation claims are paid in a timely manner.

The SDDSS agreed that compensation claim payments should be timely. In its response the SDDSS stated that for the purposes of determining eligibility and paying claims, SDDSS requires a complete application and supporting documents including certain reports from law enforcement or medical records before a claim is able to be verified and processed. In its response, the SDDSS also said the calculation of the average length of time for payment of a claim should start once a complete application, and all necessary documentation is received, rather than the date the application was received, which is the date the OIG used in our analysis. The SDDSS also re-calculated the average length of time for payment for the 22 claims reviewed by the OIG beginning with the date a completed application and all necessary documentation was received, and said it was 68 days. We did not test SDDSS's revised analysis, therefore we cannot comment on its accuracy, but we believe that an average of 68 days starting with a completed application is also untimely. The SDDSS said in its response it is working closely with agencies, including monitoring and corresponding with agencies to expedite return of records or other necessary information from external entities. The OIG agrees with the SDDSS approach of working with external entities on expediting the return of necessary records and information in the processing of claims.

This recommendation can be closed when we receive the developed and implemented written policies and procedures ensuring that victim compensation claims are paid in a timely manner.

**5. Ensure that the SDDSS fully complies with its monitoring procedures through completion of site visits and desk reviews of subrecipients. In addition, OJP should ensure that SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipients and subrecipients' compliance with the match requirement. Such steps could include the review of supporting documentation on a test basis for information reported on the subrecipients' drawdown request forms, including the match contribution, or other steps that would ensure that subrecipient payments are appropriate and fully supported.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the SDDSS to obtain written policies and procedures, developed and implemented, to ensure compliance with its subrecipient monitoring procedures, through completion of site visits and desk reviews. Additionally, OJP will ensure that the SDDSS addresses within its monitoring procedures the risks associated with payments made to its subrecipients, and subrecipient compliance with the matching requirement.

The SDDSS agreed with our recommendation and reiterated that it recognizes the importance of subrecipient oversight, and therefore garnered additional resources to assist in ensuring both on-site and desk reviews are completed according to SDDSS policies. SDDSS also said it is enhancing its procedures for drawdown requests to contain additional supporting documentation relative to certain categories of expenditures, including match requirement documentation, which will be finalized and implemented prior to October 31, 2017.

This recommendation can be closed when we receive evidence of on site and desk reviews being completed according to SDDSS polices; as well as finalized and implemented drawdown request procedures, including requirements for additional supporting documentation relative to certain categories of expenditures and match requirement documentation.



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[www.justice.gov/oig](http://www.justice.gov/oig)