



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, Crime Victims Fund Formula
Grants Awarded to the State of
Georgia's Criminal Justice
Coordinating Council,
Atlanta, Georgia**



Executive Summary

Audit of the Office of Justice Programs, Office for Victims of Crime, Crime Victims Fund Formula Grants Awarded to the State of Georgia's Criminal Justice Coordinating Council, Atlanta, Georgia

Objectives

The objective of the audit was to evaluate how the State of Georgia's Criminal Justice Coordinating Council (CJCC) designed and implemented its *Victims of Crime Act* (VOCA) Victim Assistance and Victim Compensation programs. This audit assessed grant management performance in the following areas: (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 CJCC used its grant funds to enhance services and make compensation payments to victims of crime in Georgia. We did not identify significant issues regarding the CJCC's grant management practices for subawarding victim assistance funds, paying compensation to crime victims, and preparing financial reports. However, we identified concerns with the CJCC's controls for preparing annual certifications for Victim Compensation formula awards. The CJCC did not have an adequate process to track how grant funds are allocated to address the priority areas funding requirement. The CJCC did not validate subrecipient data used to report performance. Grant expenditures were reclassified and transferred between victim assistance grants and used to support excess drawdowns for expiring grants. The CJCC did not conduct sufficient monitoring of its subrecipients. While the CJCC has taken corrective action to address these findings, we identified \$904,859 in questioned costs and \$131,191 in funds to put to better use.

Recommendations

Our report contains 19 recommendations to assist the CJCC to remedy dollar-related findings and improve grant management and administration. We requested a response to our draft audit report from the Office of Justice Programs (OJP) and the CJCC, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5. The OJP agreed with our recommendations. CJCC agreed with 7 and partially agreed with 12 of our recommendations.

Audit Results

The OJP Office for Victims of Crime (OVC) awarded several Crime Victim Fund (CVF) grants from fiscal years (FY) 2012 through 2015 to enhance crime victim services and make victim compensation payments throughout Georgia. As of September 2017, the CJCC drew down \$95,400,492 for the grants we reviewed.

Program Accomplishments - The CJCC made progress to expand its victim services from the funding increase. The CJCC increased its subawards by 42 new subrecipients with FY 2015 and 2016 award funds, and allocated funds in accordance with established policies.

State Certification - We determined that annual certifications used as a basis for FY 2013 through 2017 formula awards included errors from overstated compensation payments made with state funds, understated compensation payments made with VOCA funds, and understated reimbursements. The errors resulted in questioned costs totaling \$400,000. In addition, over-reporting in the FY 2016 certification may result in an excess award of \$558,000 for FY 2018.

Priority Funding Area - Grant award allocations were not tracked to meet the priority areas requirement to ensure appropriate level of victim services were allocated to address child abuse, domestic abuse, sexual assault, and underserved populations.

Annual Performance Reports - Victim Assistance Program performance reports contained inaccurate data. Subrecipients' progress reports were not validated in accordance with CJCC's policy. Approved claims reported in Victim Compensation Program performance reports did not reconcile to the accounting records.

Grant Financial Management - Inadequate management of drawdowns and maintain minimum cash-on-hand, resulting in questioned cost totaling \$504,859 and funds to be put to better use totaling \$131,191.

Monitoring Subrecipients - The CJCC was not performing subrecipient monitoring activities and had not established a risk assessment plan to assess subrecipient compliance with subawards' requirements.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS, OFFICE FOR
VICTIMS OF CRIME, CRIME VICTIMS FUND FORMULA GRANTS
AWARDED TO THE STATE OF GEORGIA'S
CRIMINAL JUSTICE COORDINATING COUNCIL,
ATLANTA, GEORGIA**

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AUDIT OF THE OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, CRIME VICTIMS FUND FORMULA GRANTS AWARDED TO THE STATE OF GEORGIA'S CRIMINAL JUSTICE COORDINATING COUNCIL, ATLANTA, GEORGIA

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of multiple grants awarded by the Office of Justice Programs' (OJP) Office for Victims of Crime (OVC) to the state of Georgia's Criminal Justice Coordinating Council (CJCC) in Atlanta, Georgia. The grants are funded through the Crime Victims Fund (CVF) and have a 4-year period of performance. The CJCC received \$269,791,568 in *Victims of Crime Act* (VOCA) assistance and compensation grants during fiscal years (FY) 2012 through 2017 as shown in Table 1. Our audit work encompassed the victim assistance awards for FYs 2012 through 2015 and victim compensation awards for FYs 2012 through 2014 totaling almost \$120 million.¹

Table 1

CVF Formula Grants Awarded to the CJCC (FYs 2012- 2017)

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
VICTIM ASSISTANCE GRANTS				
2012-VA-GX-0035	07/27/2012	10/1/2011	09/30/2015	\$11,461,311
2013-VA-GX-0035	09/06/2013	10/1/2012	09/30/2016	\$12,919,588
2014-VA-GX-0028	09/15/2014	10/1/2013	09/30/2017	\$13,879,983
2015-VA-GX-0057	09/15/2015	10/1/2014	09/30/2018	\$60,929,987
2016-VA-GX-0023	09/08/2016	10/1/2015	09/30/2019	\$69,338,035
2017-VA-GX-0009	09/28/2017	10/1/2016	09/30/2020	\$57,881,664
SUBTOTAL				\$226,410,568
VICTIM COMPENSATION GRANTS				
2012-VC-GX-0064	06/11/2012	10/1/2011	09/30/2015	\$7,896,000
2013-VC-GX-0045	09/06/2013	10/1/2012	09/30/2016	\$8,417,000
2014-VC-GX-0045	08/29/2014	10/1/2013	09/30/2017	\$4,269,000
2015-VC-GX-0039	08/28/2015	10/1/2014	09/30/2018	\$6,684,000
2016-VC-GX-0025	09/08/2016	10/1/2015	09/30/2019	\$6,393,000
2017-VC-GX-0007	09/28/2017	10/1/2016	09/30/2020	\$9,722,000
SUBTOTAL				\$43,381,000
TOTAL:				\$269,791,568

Note: Of the \$269,791,568 in Table 1, our audit focused on the victim assistance awards for FYs 2012 - 2015 and victim compensation awards for FYs 2012 - 2014, which totaled \$119,772,869. The remaining \$150,018,699 was not a focus of this audit. In addition, in FYs 2012 - 2017, the CJCC was awarded \$87 million by OJP and the Office on Violence Against Women. Those grants were not CVF-funded, are not within our audit scope, and are not included in Table 1.

Source: OJP

¹ As of September 30, 2017, the CJCC had drawn down \$95,400,492 from these seven grants.

Established by the *Victims of Crime Act* of 1984, the CVF supplies funds to grant programs that support both assistance services and compensation for victims and survivors of crime. The CVF holds the fines, penalties, and bond forfeitures of convicted federal offenders. The OVC annually distributes proceeds from the CVF to states and territories. The total amount of funds that the OVC distributes each year depends on limits set by Congress. The OVC awards victim assistance and compensation grants annually to state administering agencies under VOCA.²

In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, which more than tripled the available funding from \$745 million to \$2.36 billion. In FY 2016, Congress raised the cap again, increasing the available funding to \$3 billion. In FY 2017, the cap was set at \$2.57 billion.

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, subaward grant funds to 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 OVC allocates victim assistance formula grant funds through a population-based formula applied to the CVF funding cap for the given year. As such, the annual VOCA assistance grant funds available to the CJCC increased from \$13.8 million in FY 2014 to \$60.9 million in FY 2015. For FYs 2016 and 2017, the amount awarded to the CJCC was \$69.3 million and \$57.9 million, respectively.

VOCA victim compensation grant funds are available each year to states and territories for distribution to eligible recipients. The primary purpose of the Victim Compensation Grant Program is to compensate victims and survivors of criminal violence for: (1) medical expenses attributable to a physical injury resulting from a compensable crime, including expenses for mental health counseling and care; (2) loss of wages attributable to a physical injury resulting from a compensable crime; and (3) funeral expenses attributable to a death resulting from a compensable crime. The OVC allocates Victim Compensation formula grant funds to each state by calculating 60 percent of the eligible compensation claims paid out to victims during the preceding fiscal year (2 years prior to the grant year). For example, the CJCC allocation in FY 2015 was based upon eligible compensation claim payments that Georgia reported for FY 2013.

The Grantee

As the Georgia state administering agency, the CJCC was responsible for administering the VOCA Victim Assistance and Victim Compensation Program grants.

² The VOCA Victim Assistance Formula Program is funded under 42 U.S.C. § 10603 (a) and the VOCA Victim Compensation Formula Program is funded under 42 U.S.C. § 10602 (a).

The CJCC has managed the Victims Assistance Program for Georgia since 1984 and has managed the Victim Compensation Program since 1992. The CJCC is headed by an executive director appointed by the governor and overseen by 24 council members.³ The CJCC applies for grants on behalf of the state and makes awards to subrecipients and compensation payments to victims to carry out the programs' mission. The CJCC is also responsible for serving as the statewide clearinghouse for criminal justice information and research, developing legislative and executive proposals, and advising the governor.

OIG Audit Approach

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

We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA Victim Assistance and Victim Compensation Program guidelines (VOCA Guidelines), and the OJP Financial Guide and DOJ Grants Financial Guide (Financial Guides) as our primary criteria.⁴ We also reviewed relevant CJCC policies and procedures and interviewed CJCC personnel to determine how they distributed and administered the VOCA funds. We interviewed CJCC and subrecipient personnel and reviewed CJCC and subrecipient records reflecting grant activity.⁵

³ There are four committees within the CJCC: (1) Executive Committee, (2) Crime Victim Compensation Board, (3) Criminal Justice Grants Committee, and (4) Victim Assistance Grant Committee.

⁴ The OJP Financial Guide governs the FYs 2012, 2013, and 2014 grants in our scope, while the revised 2015 DOJ Grants Financial Guide applies to the FYs 2015, 2016 and 2017 awards. The revised guide reflects updates to comply with the Uniform Guidance, 2 C.F.R. part 200.

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

AUDIT RESULTS

Grant Program Planning and Execution

The main purposes of the VOCA victim assistance and victim compensation grants are to enhance victim services and compensation for eligible crime victims. As part of our audit, we assessed the CJCC's overall plan to allocate and award the victim assistance funding, as well as its process for making victim compensation payments. For the victim assistance grant program, we reviewed how the CJCC planned to distribute its available funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. For the victim compensation program, we also assessed the CJCC's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification form.

VOCA State Victim Assistance Award Plan

The CJCC is the primary recipient of victim assistance grants at the state level in Georgia. As such, it distributes the majority of the funding to organizations that provide direct services to victims, such as rape treatment centers, domestic violence shelters, centers for missing children, and other community-based victim coalitions and support organizations. VOCA Guidelines encourage grant recipients to develop a program funding strategy that considers the unmet needs, the demographic profile, and the availability of services to crime victims to the extent that other funds are available for services. As the state administering agency, the CJCC has the discretion to select subrecipients from among eligible organizations. Based on the VOCA Guidelines, state administering agencies must 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. 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 sole discretion in determining the amount of funds each subrecipient receives.

As part of our audit, we assessed the CJCC's overall plan to allocate and award the victim assistance funding. For the victim assistance grant program, we reviewed how the CJCC planned to distribute its available 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 CJCC identified victim assistance needs prior to the FY 2015 funding increase and worked to identify additional victim service needs with its FYs 2015 and 2016 funding. We identified no issues with the process to select subrecipients, and we found that the CJCC adequately communicated applicable VOCA requirements to its subrecipients.

Subaward Allocation Plan

In assessing the CJCC's strategy to subaward funds, we obtained an understanding of its long-standing procedures and any changes as a result of the FY 2015 CVF funding increase. We also considered the CJCC's funding plan to spend

the FY 2015 substantial funding increase. To perform our assessment, we interviewed CJCC managers and reviewed grant documentation.

As part of the strategy to allocate funds, the CJCC coordinates with local task forces, such as advocates, services providers, and law enforcement. The CJCC also occasionally performs surveys to determine gaps in services through the state. When the CJCC is notified of the formula award, it prepares a preliminary allocation plan with funding priorities, which is reviewed and approved by the full council. The amount awarded to each successful applicant is based on the funding available, proposal narrative, and budget submitted in the application. This process appears adequate to allocate grant funds.

In response to the significant increase in CVF available funding, the OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required that state and territory applicants submit a subrecipient funding plan that detailed their efforts to identify additional victim service needs, as well as subaward strategies to spend the substantial increase in available VOCA funding.

In implementing their funding allocation strategy for FY 2015 funds, the CJCC used some of the fund's increase to partially address the needs identified during an informal needs assessment performed in 2013. Prior to FY 2015, the CJCC had been unable to address those needs because of funding limitations. The needs assessment showed that in 2012, more than 3,400 victims were turned away due to lack of shelter capacity. The needs assessment also identified unmet needs of the CJCC's existing subrecipients. Those needs consisted of increased capacity or bed space, funding for adult and child counseling in rural counties, therapy services for victims of violent crimes, legal services, transportation assistance, and emergency financial assistance.

We found with the FY 2015 and 2016 funding increase, the CJCC provided increased funding to existing subrecipients and began adding additional subrecipients. The CJCC allocated about \$21 million to increase the funding level to its existing subrecipients and funded 42 additional subrecipients. This increased the numbers of subrecipients from 136 in FY 2014 to 178 during the FY 2016 performance period.

The CJCC is continuing to make efforts to address the unmet needs identified prior to the FY 2015 CVF funding increase. The CJCC received a grant in September 2015 to work with a contractor and conduct a comprehensive statewide plan pertaining to the following 3 to 5 years to improve accessible victim services within the state of Georgia. As of October 2017, the CJCC was in the early stages of implementing the plan and working to further expand services within the state.

While we do not make a recommendation regarding the CJCC's subaward allocation plan, we believe that the OVC should monitor the progress made toward addressing the results of the needs assessment and expanding services within the state of Georgia.

Subaward Selection Process

To assess how the CJCC granted its subawards, we identified the steps that the CJCC took to inform, evaluate, and select subrecipients for VOCA funding. The CJCC posts solicitations to its website, and potential subrecipients apply by submitting applications online. Subrecipient applications are reviewed by the CJCC's Grants and Policy Division staff to determine compliance with audit and non-profit certification requirements and project budget and scope. The reviewers consider the service area of each applicant along with its proposal narrative, past performance, and budget. CJCC staff review and score applications, which are then provided to CJCC management for review. The selected subrecipient recommendations are presented to the CJCC's Victim Assistance Grants Committee.⁶ The committee presents a recommendation to the full council for approval. The applicants are notified upon approval. The selected subrecipients are awarded funding for 4 years.

The CJCC's policy is to perform competitive solicitations for victim assistance grant funds once every 4 years. For the first year of each cycle, the CJCC makes competitive subawards for which any qualified organization may apply. During the following 3 years of the cycle, subrecipients selected in the first year receive continuation funding at the level of the first year's subaward. We found that in response to the significant funding increase beginning in FY 2015, the CJCC modified this process and opened a competitive solicitation for subawards one year ahead of schedule. We reviewed the allocation of funds after this solicitation. As stated earlier, the CJCC had made subawards to 42 newly identified organizations.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We determined that the CJCC communicated those requirements in the solicitation and award package provided to each subrecipient. We reviewed one solicitation and a sample of eight subaward packages to determine if subrecipients, at a minimum, were provided essential documents and guidance to administer the grant funds according to federal guidelines. The subaward packages included the budget documents signed by subrecipient officials accepting compliance with VOCA requirements and grant special conditions. We believe that the CJCC adequately communicated applicable VOCA requirements to its subrecipients.

Victim Compensation Planning and Execution

The main purpose of the VOCA victim compensation grants is to enhance state victim compensation payments to eligible crime victims. As part of our audit, we assessed the CJCC's overall process for making victim compensation payments. We also assessed the CJCC's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification form.

⁶ The Victim Assistance Grants Committee oversees state and federal funding for victims of crime related grants to non-profit and government entities. Recommendations from the committee are considered by the full council.

The Georgia Crime Victims Compensation Program funds payments to crime victims and is supported by the state’s Crime Victims Emergency Fund (CVEF). The CVEF’s primary source of revenue consists of VOCA funds and fees assessed to probationers, parolees, and DUI offenders. The total funds available to compensate victims is also affected by other revenues such as refunds, restitution, and subrogation.⁷ CVEF funds that are not used for these specific purposes are carried over to the next year. The fund has grown over the past fiscal years and at the end of FY 2015 the fund had about \$50 million in reserve. Table 2 below illustrates the program reserves and revenues from FYs 2013 through 2016.

Table 2
State of Georgia Victim Compensation Program
Funding Available During FYs 2013 through 2016

Funding Sources	FY 2013	FY 2014	FY 2015	FY 2016
Reserve at Beginning of Fiscal Year	\$46,110,292	\$51,205,864	\$50,263,296	\$47,180,034
Fees Collected	\$16,641,987	\$13,901,294	\$14,354,477	\$12,531,131
VOCA Drawdowns	\$7,765,824	\$7,188,542	\$1,728,180	\$6,352,657
Other Revenues	\$636,215	\$917,479	\$677,776	\$1,085,977
Total Funds Available:	\$71,154,318	\$73,213,179	\$67,023,729	\$67,149,799

Source: CJCC

Overall, we determined that the CJCC’s implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines. We found the CJCC complied with federal grant requirements and established an adequate program to compensate victims of criminal violence. However, we identified issues with the procedures for preparing certification reports. These issues are discussed later in the State Certification section of this report.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims, or other persons or entities paid on behalf of the victims, for expenses incurred from criminal victimization. As the state administering agency for Georgia, the CJCC is responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying victim claims, the CJCC operates under the Georgia Crime Victims Compensation Program guidelines, which provide the state-specific policies for the victim compensation program. In assessing the CJCC’s implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual

⁷ Subrogation is the substitution of one person in the place of another with reference to a claim so that the person or entity substituted, in this case, the state, succeeds to the rights of the other in relation to the claim that the victim has been reimbursed. Restitutions are payments made by the offender to the victim who was injured in the crime, to the legal guardian of adult or child, or beneficiaries of the victim of homicide.

compensation claims, as well as what efforts the CJCC had made to bring awareness to victims eligible for compensation program benefits.

Based on our review, we found that the CJCC policies and procedures appear to be consistent with Victim Compensation Program guidelines and the OJP Financial Guide. Specifically, the CJCC implemented policies and procedures for:

- processing victim compensation applications;
- approving, denying, and adjudicating appeals of victim compensation claims; and
- preventing the payment of false claims.

Additionally, we found that the CJCC made efforts to bring awareness of victim compensation benefits to the public by performing outreach and participating in community events, and through victim service advocates located in over 30 counties in the state. In addition, the CJCC's website provides information about its victim compensation program. The website also contains portals where victims, service providers, and advocates can access and apply for compensation for victims.

Annual State Certification

State administering agencies must submit to the OVC an annual Crime Victim Compensation State Certification Form, which provides the necessary information to determine the grant award amount 2 years later. The certification form must include all sources of revenue to the crime victim compensation program as well as the total of all compensation claims paid out to, or on behalf of, victims from all funding sources. The eligible payout amount for award consideration is determined after deducting payments made with VOCA funds, subrogation and restitution recoveries, refunds, amounts awarded for property loss, and other reimbursements. The actual award amount is calculated by applying 60 percent to the eligible payout amount. The accuracy of the information provided in the certification form is critical to the OJP's correct calculation of the victim compensation award amounts granted to each state.⁸ An over-certification of the eligible payout amount would result in a state being awarded an excessive amount. For example, an error where either the payout was over reported by \$1 million or revenues were under reported by \$1 million would result in a state being awarded \$600,000 in excess of the appropriate amount.

We assessed the CJCC's controls for preparing the annual certification forms submitted to the OVC for FYs 2011 through 2016. The OJP used these annual certifications to calculate FYs 2013 through 2018 award amounts. We reviewed the annual certification forms, including the financial support for the payouts and revenues. We verified total payouts made with state funds and total payments made with VOCA funds. In addition, we reviewed the support for the revenues that were included in the eligible payout amount. We selected and reviewed revenue transactions related to subrogation and restitution recoveries, refunds, and reimbursements.

⁸ OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible state crime victim compensation programs and the OVC awards the grant funds.

CJCC controls did not ensure that it correctly calculated the amounts reported on its annual certification forms. We determined the eligible payout amounts were overstated in CJCC's annual Victim Compensation State Certification Forms. Among the factors that can lead to an over-certification of eligible payout amounts are: overstated compensation payments with state funds; understated compensation payments made with VOCA funds; and an understatement of any of the revenue categories, such as subrogation, refund, or any other reimbursements. The errors we identified resulted in the CJCC being awarded more funding for FYs 2013 through 2017 than it would have otherwise received. From our review of the FY 2016 certification form, we also identified errors that could result in an excess award for FY 2018, if not corrected. Below is a list of errors we identified.

- The FY 2011 certified compensation payments made with VOCA funds were under reported by \$119,687, which increased the eligible amount used to calculate the FY 2013 award.
- The FY 2011 certified amount for subrogations and restitutions were under reported by \$208,062, which increased the eligible amount used to calculate the FY 2013 award.
- The FY 2012 certified state compensation payout was over reported by \$24,276, which increased the eligible amount used to calculate the FY 2014 award.
- The FY 2013 certified restitutions were under reported by \$88, 462, which increased the eligible amount used to calculate the FY 2015 award.
- The FY 2013 certified state payout amount was over reported by \$9,158, which increased the eligible amount used to calculate the FY 2015 award.
- The FY 2014 certified amount for subrogations and restitutions were under reported by \$201,488, which increased the eligible amount used to calculate the FY 2016 award.
- The FY 2015 certified reimbursements were under reported by \$16,151, which increased the eligible amount used to calculate the FY 2017 award.
- The FY 2016 certified state compensation payout was over reported by \$929,318 in compensation payments that were reported in the payouts but were subsequently reimbursed to the state from a VOCA compensation grant that was about to close. If the FY 2016 certification is not corrected, the CJCC's FY 2018 victim compensation grant award will be \$558,000 in excess.

Table 3 summarizes the differences. It also shows the effect of the differences on the eligible amounts included in the certifications and the excess victim compensation awards based on the erroneous information.

Table 3
Summary of Errors to the Annual Certifications and Recalculation of Formula Awards

Payment Information	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Amount Reported as Eligible	\$14,029,088	\$7,114,999	\$11,140,516	\$10,655,135	\$16,203,549	\$11,968,353
<i>OIG Calculated Adjustments</i>						
Over-reported state payouts	\$0	\$24,276	\$9,158	\$0	\$0	\$0
Under-reported VOCA funds	\$119,687	\$0	\$0	\$0	\$0	\$929,318
Under-reported Revenues	\$208,062	\$0	\$88,462	\$201,488	\$16,151	\$0
<i>Total Adjustments (Deductions)</i>	<i>\$327,749</i>	<i>\$24,276</i>	<i>\$97,620</i>	<i>\$201,488</i>	<i>\$16,151</i>	<i>\$929,318</i>
Revised Eligible Amount	\$13,701,339	\$7,090,723	\$11,042,896	\$10,453,647	\$16,187,398	\$11,039,035
Award Fiscal Year	FY 2013 Award	FY 2014 Award	FY 2015 Award	FY 2016 Award	FY 2017 Award	FY 2018 Projected Award
Actual Award	\$8,417,000	\$4,269,000	\$6,684,000	\$6,393,000	\$9,722,000	\$7,181,000
OIG Calculation of Award ^a	\$8,221,000	\$4,254,000	\$6,626,000	\$6,272,000	\$9,712,000	\$6,623,000
Excess Amount Awarded	\$196,000	\$15,000	\$58,000	\$121,000	\$10,000	\$558,000
Total Excess Awarded FYs 2013 through 2017 and FY 2018 Projected Excess					\$400,000	\$558,000

^a OIG calculation of Award are rounded to the nearest thousand to conform to OJP’s methodology.

Source: OJP and CJCC

As shown in the table, for FYs 2013 through 2017, the CJCC received excess awards totaling \$400,000, and we question this amount. In addition, if the CJCC is awarded the FY 2018 amount based on the FY 2016 certification submitted to OVC, the CJCC will be awarded \$558,000 in excess. We discussed with CJCC officials our finding and the effect this finding on the award amounts. The officials agreed with the finding and they told us they were developing procedures to perform reconciliations to ensure the certifications are accurate.

We identified a potential concern with the VOCA Guidelines for forensic examination payments. Under the VOCA Guidelines, forensic examination payments may be included in the certified payout amount if: (1) payments made from the compensation program are allowable under state statute, and (2) to the extent other funding sources such as state appropriations specifically earmarked for these exams are unavailable and insufficient. We found that the CJCC included forensic examination payments in the certifications submitted to OVC. The CJCC’s payments for forensic examination meet the first condition regarding allowability. However, because the CJCC

had sufficient resources available to pay for these costs, we believe the CJCC did not meet the second condition. The availability of these resources is demonstrated by the reserve funds consistently maintained in the Georgia Crime Victims Emergency Fund. As shown in Table 2 on page 7, from FYs 2013 through 2016, that fund maintained a reserve of between \$46 million and \$51 million.

CJCC officials told us that the cost of forensic examinations was included in the certified payouts beginning in 2011 because, they believe, the cost of such examinations is permitted for inclusion under the 2001 Victim Compensation Program Guidelines. Specifically, the officials said that forensic examination costs are allowable because the funds are not considered a funding source outside of the compensation program, and Georgia does not earmark any funds to forensic examinations. We do agree that the costs are allowable, if certain conditions are met. We communicated our concerns to OJP's general counsel to clarify the requirement for funding forensic examinations. The general counsel told us that:

The fact that the CJCC has funds available from its general compensation funding sources to compensate for forensic exams does not violate the provision. The phrase "other funding sources" refers to funds other than those administered by the state compensation program. The Georgia Crime Victim Emergency Fund, to the extent it is available to CJCC for compensation payments, is not the "other funding sources" described in that provision, unless it is specifically earmarked for exam payments in some way. Other funding sources would be designated state appropriations for forensic exam payments, or a specific fund for forensic exam payments. The CJCC can make normal compensation payments from its Victim Emergency Fund and include these on its state certification to OVC. The CJCC also could use VOCA Compensation grant funds for these payments. The provision speaks only to the certification of state funds, not the use of VOCA funds. Rather, a separate section provides that VOCA grant funds are available for payments to the extent that the state compensation program could make the payments under state law, with some exceptions not applicable here.

Given the general counsel's position, we do not question the costs for the forensic examination payments included in the certifications. However, based on the ambiguity of the VOCA guidelines, we believe the guidelines do not clearly specify whether forensic examination payments may be included in the certification under circumstances such as those at the CJCC when there are other available resources. The OIG intends to review this further in other ongoing audit work.

As a result of excess funds awarded to the CJCC, less CVF funding was available nationally for other programs that support victim services. We recommend that CJCC develop and implement procedures to ensure that it completes Victim Compensation State Certification Forms accurately. We also recommend that the OJP remedy the

\$400,000 in excess funds awarded to the CJCC in FYs 2013 through 2017 as a result of inaccurate certifications. We further recommend that OJP require the CJCC to submit a corrected FY 2016 certification to ensure that the FY 2018 formula award is calculated correctly.

Program Requirements and Performance Reporting

To determine whether the CJCC distributed VOCA victim assistance and used victim compensation program funds to enhance crime victim services and compensate victims of crime, we reviewed the CJCC's distribution of victim assistance grant funding subawarded to service providers throughout the state. We also reviewed the CJCC's performance measures and performance documents used to track program performance. We further examined OVC solicitations and award documents and verified the CJCC's compliance with special conditions governing recipient award activity.

Priority Areas Funding Requirement

The VOCA Victim Assistance Program guidelines require that the CJCC 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.⁹ The underserved population includes the homeless, persons with disabilities, victims with limited English proficiency, senior citizens, and victims that are members of racial or ethnic minorities, among others.

To determine if the CJCC made its subawards so that each priority area received at least 10 percent of funds awarded, we examined the CJCC's subawards made from the allocated FYs 2012 through 2014 grants. We found that the CJCC did not adequately track whether it allocated funds appropriately within each priority area. The CJCC ensured that each category was allocated funds but did not have procedures in place to adequately track its allocations by category to ensure each category was allocated at least 10 percent of the grant award.

We determined that the CJCC did not meet the minimum award requirement for the sexual assault and previously underserved categories with any of the three awards. For the FY 2013 award, the CJCC did not meet the requirement for child abuse. Table 4 is based on data compiled for us by the CJCC during the audit, and it shows the allocations made to each of the categories under the three grants.

⁹ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

Table 4
Allocation of Victim Assistance Grant Funds
to Service Providers According to Service Category
Formula Grants Awarded in FYs 2012 through 2014

Fiscal Year Award Amount	FY 2012 Award \$11,461,311	FY 2013 Award \$12,919,588	FY 2014 Award \$13,879,983
Minimum Required Allocation to each Category	\$1,146,131	\$1,291,959	\$1,387,998
Actual Allocation and Percentage of Award Allocated to Each Category			
Child Abuse	\$4,219,554 (36.82%)	\$457,825 (3.54%)	\$2,566,228 (18.49%)
Domestic Violence	\$1,752,602 (15.29%)	\$3,608,536 (27.93%)	\$2,907,915 (20.95%)
Sexual Assault	\$58,781 (.51%)	\$785,548 (6.08%)	\$706,628 (5.09%)
Underserved Area	\$260,290 (2.27%)	\$579,944 (4.49%)	\$782,220 (5.64%)

Source: CJCC

CJCC officials told us they did not meet the minimum 10 percent requirement prior to FY 2015 because the CJCC did not: (1) have the resources to address all the areas that needed services, and (2) track how it allocated funds to subrecipients within the four categories. During the audit, the CJCC established policies that were implemented when allocating the FY 2015 grant funds. The established procedures required applicants to separately identify and address their specific priority areas and core victim population. This action was intended to allow the CJCC to more-accurately determine how the funds were allocated among the categories. The CJCC also restructured its Grants and Policy Division’s victim assistance team into four units – child abuse, sexual assault, domestic violence, and community-based programs. The restructuring is intended to allow the CJCC staff to focus more on specific program types and thus ensure proper allocation of funds, increase the number of crime victims being served, and address the gaps in services for victims of crime. To assess the effectiveness of the procedures implemented during our audit, we reviewed allocations made totaling about \$50 million from the \$60.9 million awarded to the CJCC by OVC for FY 2015. Although the FY 2015 funds were not completely allocated at the time of our tests, our results indicate that the CJCC was on track to achieve compliance with the 10 percent requirement. Consequently, we make no recommendation.

Annual Performance Reports

Each state administering agency must annually report to the OVC on the performance measures of the victim assistance and victim compensation formula programs grants active during the federal fiscal year. The reports are submitted through OJP’s Grant Management System (GMS). As of FY 2016, the OVC began requiring states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). With this new system, states may provide victim assistance subrecipients direct access to report quarterly data for state review.

The OVC still requires that states approve the data if the subrecipient completes the performance measure data entry directly. Prior to October 2015, CJCC subrecipients provided quarterly reports to the CJCC for compilation and submission to the OVC at the end of the year. After October 2015, CJCC subrecipients continued submitting their quarterly performance data for it to be reviewed and reported into PMT by the CJCC.

Victim Assistance Annual Performance Reports

For the victim assistance program grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. We discussed with CJCC officials how they compiled performance report data from their subrecipients. According to the CJCC, the subrecipient progress reports are validated by CJCC monitoring staff during onsite visits.

To determine whether the annual performance reports were accurately prepared, we selected and reviewed the annual performance reports submitted by the CJCC for FYs 2014, 2015, and 2016 and compared the reports to grant documentation provided by the CJCC. During FYs 2014 through 2016, the CJCC reported that it had funded between 136 and 219 subrecipients. It also reported that between 81,106 and 151,969 victims received services. We found weaknesses related to the reliability of the data reported for the number of subrecipients funded and victims served.

Table 5 summarizes CJCC subrecipient data reported by CJCC for FYs 2014 through 2016 and our verification of the data.

Table 5
VOCA Victim Assistance Program Grants
Number of Subrecipients in
Annual State Performance Reports
FYs 2014 through 2016

Fiscal Year Reporting	Number of Subrecipients Reported	Number of Subrecipients Verified	Difference
2014	136	136	0
2015	219	149	70
2016	172	178	(6)

Source: OJP and CJCC

We reviewed supporting documentation for subrecipients funded during the 3 fiscal years and found that the number of subrecipients for FY 2015 were over reported by 70 and FY 2016 were under reported by 6. We discussed these differences with CJCC officials who agreed with the differences and attributed them to human error. As a consequence of these errors, the OVC lacked accurate performance data for use in assessing program performance.

Table 6 summarizes victims' data for FYs 2014 through 2016 as reported by the CJCC and identifies a significant decrease in victims served. We attempted to determine the effect the CVF funding increase had on the number of victims receiving services during FYs 2015 and 2016. The CJCC reported a decrease in victims served, which seemed unusual to us because of the significant increase in funding for those 2 years. In FY 2015, the number of victims reported decreased by 34 percent compared to FY 2014. CJCC officials told us that the decrease in number of victims did not reflect program performance and, instead, resulted from improved accuracy in reporting performance data. They told us that much of the decrease in FY 2015 resulted from subrecipients reporting to CJCC victims being served and reported for multiple non-VOCA funded projects, which allowed CJCC to exclude them from the annual performance report submitted to the OVC. In prior years, the victims served by the non-VOCA funded projects were erroneously included in the annual performance reports.

Given the known inaccuracy of the victims served data, we were unable to verify the data reported to the OVC. Beginning in FY 2015, the CJCC worked to update its subrecipients reporting process. CJCC officials told us that the implementation of reporting improvements resulted in more accurate counts of victims, which accounts for the decline in the number of reported victims. The officials said that they will continue to monitor the changes and expect the number of victims served will be more accurately reported in future reports.

Table 6
VOCA Victim Assistance Program Grants
Number of Victims Served in
Annual State Performance Reports
FYs 2014 through 2016

Fiscal Year Reporting	Number of Victims Served as Reported
2014	151,969
2015	101,027
2016	133,305

Source: OJP and CJCC

We also reviewed the CJCC's process for validating the program results reported by its subrecipients. According to CJCC officials, the subrecipient progress reports are validated by CJCC monitoring staff during onsite visits every 2 years. However, as discussed in the Subrecipient Monitoring section of this report, we determined that the CJCC was not performing onsite visits with the frequency required in the CJCC's monitoring policy. We believe that the lack of frequent monitoring and validation of program results contributes to the inaccuracy of the victims served data.

Given the known inaccuracy of the victims served data, both the OVC and the CJCC lack a reliable basis for assessing program performance. We recommend that OJP ensure the CJCC establishes and implements procedures to validate data provided by subrecipients to ensure the accuracy of victim assistance performance.

Victim Compensation Annual Performance Reports

VOCA Guidelines require states to submit an annual VOCA Victim Compensation Grant Program State Performance Report to the OVC. The report reflects statistical data from the previous federal fiscal year, including but not limited to: (1) the number of claims paid according to the types of crimes; (2) the number of domestic violence related claims; and (3) the total amount of expenses paid by category. The CJCC retrieves the statistical data for the report from the Victim Services Division Claims Management database.

We selected and reviewed the performance reports submitted for FYs 2014 through 2016 and compared performance data reported to the CJCC's grant records and accounting reports. The CJCC's documentation demonstrates substantial efforts on behalf of the victim compensation program. However, as shown in Table 7, we were unable to reconcile the CJCC's reported compensation payments to the amounts of compensation paid per the accounting records.

Table 7
VOCA Victim Compensation Program Grants
State Annual Performance Reports
FYs 2014 through 2016

Fiscal Year Reporting	Number of Claims Received	Claims Approved	Compensation Amount Paid Reported	Compensation Paid Per Accounting Records	Difference
2014	3,883	2,740	\$18,010,861 ^a	\$18,383,559	(\$372,698)
2015	8,739	6,515	\$21,268,685 ^b	\$18,057,432	\$3,211,253
2016	10,156	6,786	\$17,448,473 ^c	\$18,610,057	\$(1,161,584)

^a FY 2014 compensation amount includes \$2,441,926 paid in forensic examinations and \$31,000 in forensic interviews.

^b FY 2015 compensation amount includes \$2,460,210 paid in forensic examinations and \$837,151 in forensic interviews.

^c FY 2016 compensation amount includes \$2,720,657 paid in forensic examinations and \$1,173,459 in forensic interviews.

Source: CJCC and OVC

CJCC officials told us that the difference may result from the method of accounting for forensic examination and timing differences between the grant management and financial records. Moreover, the officials agreed with the need to revise procedures for claims paid to be reconciled between the program and finance.

Such a reconciliation would permit greater accuracy in the CJCC performance reports. We recommend that the CJCC establishes procedures to ensure the accuracy of the victim compensation performance reports.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific grant recipient requirements. We tested compliance with two special conditions unique to the FY 2015 victim assistance program grants. These two conditions were implemented by the OVC to address Congress' request to increase the OVC's oversight efforts of the CVF. For these two conditions, states must: (1) ensure that all non-profit subrecipients certify their non-profit status and (2) make their financial statements publicly available online.

We determined that the CJCC complied with these two conditions. The CJCC included these requirements as special conditions for its subawards. In addition, we selected six subawards and performed internet searches to verify these subrecipients' compliance with the two special conditions. We performed online searches and determined that these subrecipients had certified and provided documentation on their non-profit status and also found that their financial statements were publicly available. Based on our assessment in the areas of program requirements and performance reporting, we believe that the CJCC complied with tested special conditions.

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 CJCC's financial management of the VOCA grants, we reviewed the process to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, financial reports, and the Single Audit Reports for FYs 2014 and 2015. We also interviewed CJCC personnel who were responsible for the financial aspects of the grants and reviewed CJCC written policies and procedures, award documents, and financial records.

As discussed below, we determined that the CJCC implemented adequate controls over grant expenditures. However, the CJCC could improve its process to request drawdowns, which resulted in overstated victim compensation annual certifications and excess cash-on-hand.

Grant Expenditures

State administering agency VOCA expenses fall into two overarching categories: (1) reimbursements to subrecipients of victim assistance grants and compensation claim payments from the victim compensation grants – which constitute the vast majority of expenses under both programs, and (2) administrative expenses – which can 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.

Victim Assistance Subaward Expenditures

The CJCC disburses funds to subrecipients on a reimbursement basis. Subrecipients submit a detailed cost breakdown for each budget category with their reimbursement requests, maintain supporting documentation, and provide the support

to the CJCC upon its request. According to CJCC officials, monitoring staff review the supporting documentation during site visits.

To assess the CJCC's financial controls over VOCA victim assistance grant expenditures, we judgmentally selected 12 disbursements made to 10 subrecipients and reviewed relevant supporting documents submitted for reimbursement. The reimbursements requests tested totaled \$155,014. The sample included expenses in the categories of personnel, fringe benefits, and operating costs. The CJCC staff had reviewed the reimbursement requests to determine if expenses were allowable and within the approved budget. A CJCC official then authorized each request for payment. The expenses tested were supported, accurate, allowable, and in accordance with the VOCA Guidelines. We did not identify concerns with our review of subrecipients' reimbursement requests.

Victim Compensation Claim Expenditures

Victims of crime in Georgia submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. CJCC staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate the CJCC's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, and in accordance with the policies of the VOCA Guidelines and the Georgia Crime Victims Compensation Program guidelines. We tested the CJCC's controls in place for the disbursements of crime victim compensation payments. We selected a judgmental sample of 23 victim compensation claims totaling \$147,785. The transactions we reviewed included costs in the following categories: medical and lost wages. We identified no concerns related to these expenditures.

Administrative Expenditures

State administering agencies are allowed to retain up to 5 percent of the victim assistance and compensation grants awards for administrative costs. These expenditures may include payroll, training, equipment, and other operating expenses. We reviewed the total administrative expenditures that were charged to each grant and determined that the CJCC did not exceed the 5 percent allowance.

In addition to testing the CJCC's compliance with the 5 percent administrative allowance, we tested a sample of these administrative transactions. We judgmentally selected 33 transactions totaling \$269,142. The transactions included personnel, fringe benefits, and other operating costs categories. We found that most costs charged to the two grants were allowable and accurately recorded in the accounting system. However, we identified unauthorized overtime costs totaling \$12,502 charged to two victim compensation grants. CJCC officials attributed this to human error. During the audit, CJCC officials took corrective action by returning \$10,850 to OJP and offsetting the remaining \$1,652 from future drawdowns. The CJCC also updated its procedures for reviewing overtime accounts on a monthly basis to ensure overtime is charged correctly. Consequently, we do not make a recommendation.

Drawdowns

According to the Financial Guides, grantees should request funds based upon immediate disbursement or reimbursement needs. Grantees should time drawdown requests to ensure that the federal cash-on-hand is the minimum needed for disbursements or reimbursements made immediately or within 10 days. If at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. We tested the drawdowns for the VOCA victim assistance and victim compensation programs separately.

To assess whether the CJCC managed grant receipts in accordance with federal requirements, we judgmentally selected 10 drawdowns to determine if they were supported by accounting records. We determined that the CJCC made drawdowns on a reimbursement basis, the funds were electronically deposited into a bank account, and drawdowns tested were supported by the general ledger. We also compared the total amount reimbursed from each grant to the total expenditures in the accounting records.

For two victim assistance grants tested, we found differences in the drawdown amounts when compared to the general ledger. Also for one of the victim compensation grants tested, we found differences when comparing drawdown amounts to the general ledger. Table 8 shows the differences for the three grants and the resulting excess drawdowns.

Table 8
Sample of Expired Grants with Excess Drawdowns

Award Number	Total Award	Expiration Date	Drawdown Amount	General Ledger	Excess Drawdown	Amount Remaining
Victim Assistance Grants						
2012-VA-GX-0035	\$11,461,311	9/30/2015	\$11,461,311	\$11,379,765	\$81,546	\$0
2013-VA-GX-0035	\$12,919,588	9/30/2016	\$12,808,431	\$12,713,269	\$95,162	\$111,157
Victim Compensation Grants						
2014-VC-GX-0045	\$4,269,000	9/30/2017	\$4,176,712	\$4,102,398	\$74,314	\$20,034 ^a

^a This analysis reflects grant activity prior to December 2017. The CJCC requested a drawdown in December 2017, which increased the drawdown amount to \$4,248,966 and the amount remaining for this grant totaled \$20,034.

Source: OJP and CJCC

We found that in some instances the CJCC reclassified and transferred expenditures between victim assistance grants and then used these expenditures to support excess drawdowns for grants that were expiring. Specific concerns with this process are discussed below.

When the CJCC was in the process of closing out Grant Number 2012-VA-GX-0035, which expired on September 30, 2015, the CJCC had drawn down \$81,546 more than the actual grant costs as supported in the general ledger. To offset the excess cash-on-hand, on December 31, 2015, the CJCC reclassified expenditures totaling \$77,126 from Grant Number 2014-VA-GX-0035 to Grant Number 2012-VA-GX-0035. An excess draw of

\$4,420 remained and should have been returned to OJP, but the CJCC did not do so. Consequently, we question as unsupported the \$4,420 and recommend the CJCC remedy that amount for Grant Number 2012-VA-GX-0035.

For Grant Number 2013-VA-GX-0035, the CJCC had drawn down \$95,162 more than the actual grant costs supported in the general ledger and had an unobligated and undrawn balance of grant funds totaling \$111,157. In December 2016, the CJCC submitted its final Federal Financial Report (FFR) and certified that total outlays equaled the grant award. However, in January 2017, the CJCC reclassified and transferred \$204,467 in previously reimbursed expenditures from Grant Number 2014-VA-GX-0028 to Grant Number 2013-VA-GX-0035.¹⁰ This is an example of reclassifying expenses between grants in an effort to provide support for the \$95,162 originally drawn down in excess and justify the amounts reported on CJCC's final FFR. However, as of February 21, 2018, there was a remaining grant balance of \$111,157.¹¹ Therefore, we consider the \$111,157 as funds to be put to better use, and we recommend that OJP remedy that amount for Grant Number 2013-VA-GX-0035.

The reclassification and transfer of funds for Grant Number 2014-VA-GX-0028 as discussed in the previous paragraph resulted in a situation where the CJCC had \$103,354 in excess of cash-on-hand for Grant Number 2014-VA-GX-0028. In March 2017, more than 3 months after the excess cash-on-hand was created, the CJCC returned \$76,161 of the \$103,354 to OJP. In October 2017, the CJCC provided us an updated general ledger that supported the remaining \$27,193. The updated general ledger supported expenditures totaling \$13,525,576 for the life of the grant. However, the CJCC's drawdowns totaled \$13,527,816, which was \$2,240 more than actual costs. After our audit closeout meeting in December 2017, the CJCC requested a drawdown totaling \$351,630, which increased total drawdowns to \$13,879,446. We consider the \$351,630 to be unsupported. Based on the updated general ledger and drawdown reports, we also determined the CJCC received \$2,240 in excess cash. We recommend OVC remedy the \$2,240 in excess cash and \$351,630 in unsupported costs.

We identified another instance where the CJCC reclassified and transferred to Grant Number 2013-VC-GX-0045 \$929,318 in victim compensation payments that were initially made with state funds. As with the problems with reclassification and transfer discussed above, these adjustments were made to permit the CJCC to draw down the remaining grant balance. In this case, no excess cash was created. However, the reclassification affected the accuracy of the FY 2016 certification in that the \$929,318 was included in the certified total of state payments and the certification was not revised after the reclassification of these costs. In the Victim Compensation Planning and Execution, State Certification section of this report, we recommend that the OVC ensure that the CJCC revises its FY 2016 certification.

¹⁰ The liquidation period includes an additional 90 days after the expiration of the grant during which OJP permits the grantee to draw down obligated funds. For example, for grants that expire on September 30, the liquidation period ends on December 29.

¹¹ The sum of the excess drawdowns (\$95,162) and the unliquidated funds (\$111,157) totaled \$206,319. The reclassification of \$204,467 left \$1,852 unaccounted for (\$206,319 - \$204,467).

We also found that when Grant Number 2014-VC-GX-0045 expired on September 30, 2017, the CJCC had drawn down \$74,314 more than the actual grant costs as supported in its general ledger. The CJCC returned \$66,735 of the \$74,314 after we discussed this concern with them. After returning the funds, a balance of \$7,579 of funds drawn in excess remained. In October 2017 the CJCC provided us an updated general ledger that supported expenditures totaling \$4,102,398. However, the CJCC's drawdowns totaled \$4,109,977, which resulted in the retention of \$7,579 in excess draw downs. After our audit closeout meeting, the CJCC requested a drawdown totaling \$138,990 which increased total drawdowns to \$4,248,967. We consider the \$138,990 to be unsupported. Further, as of February 21, 2018, a balance of \$20,034 remained undrawn for this grant. We recommend OJP remedy the \$7,579 in excess cash and \$138,990 in unsupported costs, and also deobligate the remaining \$20,034 in undrawn funds.

It appears, and CJCC officials confirmed to us, that the CJCC routinely reclassifies and transfers previously-reimbursed grant expenditures to other grants that are about to expire. This practice ensures that the CJCC can draw most of the funds associated with the expiring grants, but it leaves the CJCC with excess cash-on-hand when previously reimbursed expenses are reclassified and transferred to another grant. We recommend that the CJCC adhere to the grant guidelines for managing drawdowns and maintaining minimum cash-on-hand.

Victim Assistance 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 to VOCA projects, prompting subrecipients to obtain independent 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.¹² VOCA Guidelines state that any deviation from this policy requires OVC approval. The state administering agency has primary responsibility for ensuring subrecipient compliance with the match requirements.

The CJCC communicates the match requirements in the solicitation and requires subrecipients to comply with the match as a condition for receiving subawards. Subrecipients report their match contribution in the reimbursement request they submit to the CJCC. To review the provision of matching funds, we selected eight subrecipient reimbursement requests. We identified no issues related to matching costs.

Financial Reporting

According to the Financial Guides, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the CJCC submitted accurate

¹² For the VOCA assistance program, 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.

FFRs, we selected six FFRs from the victim assistance and three from the victim compensation grants. We compared the nine reports to the CJCC's accounting records. We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records.

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. The Financial Guides require the CJCC, as the primary grant recipient, to develop policies and procedures for monitoring subrecipients. Also, the victim assistance program's rule, effective since August 2016, requires state administering agencies to perform biennial on-site monitoring of all subawards. To assess how the CJCC monitored its VOCA subrecipients, we interviewed CJCC personnel, identified monitoring procedures, and obtained records of interactions between the CJCC and its subrecipients. We also conducted site visits of six subrecipients, which included interviewing personnel, touring facilities, and reviewing accounting and performance records. We spoke with subrecipient officials about the support received from the CJCC. Those officials told us that the CJCC communicates policies, provides training, and responds to requests as needed.

According to the CJCC's policies and procedures in place before August 2016, the CJCC was required to develop a Compliance Monitoring Plan to perform monitoring activities such as site visits and desk reviews and provide training and technical assistance to its subrecipients. The monitoring plan required grant monitoring staff to perform site visits every 2 years. The monitoring plan provides for the completion of desk reviews but does not define the period or frequency for those reviews. The plan also required monitoring staff to conduct an annual risk assessment to determine the risk level of subrecipients as a basis for conducting site visits during the fiscal year. We reviewed the CJCC monitoring plan, which appeared adequate for assessing subrecipients' compliance with the terms and conditions of the subawards. However, we found that the CJCC was not performing monitoring activities as planned and had not established a risk assessment plan.

We requested from the CJCC a site visit history report to assess the frequency of site visits. We found that the CJCC did not have a system for tracking site visits performed. During the audit, the CJCC created a spreadsheet to document its site visit history. Table 9 summarizes the number of site reviews required during FYs 2014 through 2016 and the number of site reviews performed each year.

Table 9
VOCA Victim Assistance Program Grants
Number of Subrecipients
Receiving Site Reviews During
FYs 2014 through 2016

Fiscal Year Reporting	Number of Subrecipients	Number of Reviews Required to Meet a 2-year Cycle	Number of Reviews Performed	Difference (below target)
2014	136	68	22	(46)
2015	149	75	15	(60)
2016	178	89	10	(79)

Source: OJP and CJCC

As shown in Table 9, during FYs 2014 through 2016 the CJCC performed fewer site reviews than required to meet the 2-year cycle of the monitoring plan. To assess the effect of the low number of site reviews, we identified the number of such reviews received by a judgmental sample of 19 subrecipients. We determined that none of the 19 received a site visit every 2 years as required, and 5 of the 19 did not receive a site visit during FYs 2011 through 2016. A CJCC official told us that subrecipients had not been sufficiently monitored because of an insufficient number of CJCC staff and a lack of resources. The official explained that the CJCC monitoring staff consisted of six individuals who are also assigned to review reimbursement requests and performance report data. Because of reassignments, the official said that monitoring activities had not been performed annually at the planned level.

CJCC officials told us that during FY 2017 they addressed the lack of sufficient subrecipient monitoring by hiring six additional grant specialists who perform monitoring duties. During FY 2017, the CJCC staff performed 75 site visits, which is not sufficient to meet a 2-year cycle but is a substantial improvement over prior years. We recommend that OJP ensures that the CJCC implement procedures to ensure the 2-year review cycle is met.

To further assess the CJCC's grant monitoring practices, we performed site visits to five subrecipients. For one subrecipient, we identified deficiencies with the controls for federal funds. The subrecipient outsourced all accounting activities associated with the subaward to a single person working as a contractor. This contractor was performing all disbursement and cash management duties for the federal funds, including having physical controls of the checks and performing bank reconciliations. The subrecipient appeared to provide no oversight of the contractor's activities. This practice does not provide minimum necessary internal controls to prevent grant fraud, waste, and abuse. The practice also does not comply with the Financial Guides, which require all recipients and subrecipients of grant funds to establish and maintain an adequate accounting system. We discussed our concerns with CJCC officials. These officials appeared unaware of this subrecipient's financial management practices.

The CJCC performed a site review of the subrecipient and provided us a copy of the site visit report. We reviewed the report and noticed that the CJCC's did not address our concerns with the subrecipient contracting its accounting activities and the lack of oversight of the contractor. During our audit closeout meeting, we discussed the monitoring report with CJCC officials who told us that the CJCC will perform another site visit to the subrecipient.

In our overall assessment of the CJCC subrecipient monitoring practices, we found that the CJCC was not implementing its monitoring plan to ensure that subrecipients are adhering to its fiscal and programmatic responsibilities. The lack of subrecipient monitoring creates significant risk to the CVF and how it is being used to enhance services provided to crime victims. We recommend that the CJCC implement procedures to ensure the 2-year review cycle is met. We also recommend that the CJCC perform routine subrecipient monitoring to ensure that all subrecipients adhere to the fiscal and programmatic responsibilities for victim assistance subawards. In addition, we recommend the CJCC revise its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsourcing of financial management activities.

CONCLUSION AND RECOMMENDATIONS

We found the CJCC used its grant funds to enhance services and compensation for victims of crime in Georgia. We did not identify significant issues regarding the CJCC's grant management practices for subawarding victims assistance funds, paying compensation to crime victims, and preparing financial reports. We determined that the CJCC needs to improve its grant management of VOCA grants. The CJCC did not comply with essential award conditions related to victim assistance grant subaward allocations to ensure all areas of priority funding met the 10-percent minimum requirement. We determined that the practices for reporting eligible amounts for calculating victim compensation awards resulted in over reported certifications, which resulted in excess formula awards made by OJP from FYs 2013 through 2017 and the projected FY 2018 formula award. Performance reports did not reflect actual activity. Financial management practices resulted in excess cash-on-hand. We also found inadequate monitoring of subrecipients. The CJCC has already implemented policies and procedures to address the finding and is currently addressing further improvements. We make 12 recommendations to remedy the dollar-related findings and 7 management improvement recommendations to address the weaknesses identified in the CJCC's administration of the CVF grant awards.

We recommend that OJP:

1. Remedy \$196,000 in excess award made under Grant Number 2013-VC-GX-0045 due to an inaccurate certification.
2. Remedy \$15,000 in excess award made under Grant Number 2014-VC-GX-0045 as a result of an inaccurate certification.
3. Remedy \$58,000 in excess award made under Grant Number 2015-VC-GX-0039 as a result of an inaccurate certification.
4. Remedy \$121,000 in excess award made under Grant Number 2016-VC-GX-0025 as a result of an inaccurate certification.
5. Remedy \$10,000 in excess award made under Grant Number 2017-VC-GX-0007 as a result of an inaccurate certification.
6. Require the CJCC to submit a corrected FY 2016 Victim Compensation State Certification Form to ensure that the FY 2018 victim compensation formula award to the CJCC is calculated correctly.
7. Ensure that the CJCC develops and implements procedures to ensure that it completes Victim Compensation State Certification Forms accurately.
8. Ensure that the CJCC implement procedures to validate data provided by subrecipients to ensure the accuracy of victim assistance performance reports.
9. Ensure that CJCC establishes procedures to ensure the accuracy of victim compensation performance reports.

10. Remedy \$4,420 in excess drawdowns for Grant Number 2012-VA-GX-0035.
11. Remedy \$111,157 in funds to be put to better use for Grant Number 2013-VA-GX-0035.¹³
12. Remedy \$351,630 in unsupported costs for Grant Number 2014-VA-GX-0028.¹³
13. Remedy \$2,240 in excess drawdowns for Grant Number 2014-VA-GX-0028.
14. Remedy \$7,579 in excess drawdowns for Grant Number 2014-VC-GX-0045.
15. Deobligate and put to better use \$20,034 in grant funds not used from Grant Number 2014-VC-GX-0045.
16. Remedy \$138,990 in unsupported costs for Grant Number 2014-VC-GX-0045.¹³
17. Ensure that the CJCC adhere to the grant guidelines for managing drawdowns and maintaining minimum cash-on-hand.
18. Ensure that the CJCC implement procedures to ensure the 2-year review cycle is met.
19. Ensure that the CJCC revise its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsourcing of financial management activities.

¹³ Between the draft and final audit reports, we made minor changes to the wording of these recommendations, as discussed in Appendix 5.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to evaluate how the State of Georgia's Criminal Justice Coordinating Council (CJCC) designed and implemented its crime victim assistance and victim compensations programs. To accomplish this objective, we assessed grant management performance in the following areas: (1) grant program implementation and execution, (2) program requirements and performance reporting of the programs, (3) the CJCC's grant financial management, and (4) 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 the Office of Justice Programs (OJP), Office for Victims of Crime (OVC), grants awarded to the CJCC in Atlanta, Georgia under the Crime Victims Fund's (CVF) Crime Victim Assistance and Crime Victim Compensation Formula Programs:

- 2012-VA-GX-0035
- 2012-VC-GX-0064
- 2013-VA-GX-0035
- 2013-VC-GX-0045
- 2014-VA-GX-0028
- 2014-VC-GX-0045
- 2015-VA-GX-0057

Our audit concentrated on FY 2013 through September 2017 grant activity. At the start of our audit, the FYs 2014 and 2015 victim compensation grants had little or no activity; consequently our audit work on those grants was limited. We also reviewed documents related to grants outside our scope as necessary to accomplish our audit objectives.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the CJCC's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including administrative, subrecipient expenses, compensation payments made to or on-behalf of victims of crimes, 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. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the

VOCA Victim Assistance Final Program Guidelines, VOCA Compensation Guidelines, the OJP Financial Guide, the Department of Justice (DOJ) Grants Financial Guide, and the Georgia Grant Policies and Procedures contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System, as well as the CJCC's accounting system specific to the management of DOJ funds during the audit period. We also reviewed Georgia's Single Audit Reports for FYs 2014 and 2015. 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.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Excess FY 2013 Victim Compensation Award	\$196,000	10
Excess FY 2014 Victim Compensation Award	15,000	10
Excess FY 2015 Victim Compensation Award	58,000	10
Excess FY 2016 Victim Compensation Award	121,000	10
Excess FY 2017 Victim Compensation Award	<u>10,000</u>	10
Unallowable Costs	\$400,000	
Excess Drawdowns – Grant Number 2012-VA-GX-0035	\$4,420	20
Excess Drawdowns – Grant Number 2014-VA-GX-0028	2,240	20
Excess Drawdowns – Grant Number 2014-VC-GX-0045	7,579	21
Drawdowns – Grant Number 2012-VA-GX-0035	351,630	20
Drawdowns – Grant Number 2014-VC-GX-0045	<u>138,990</u>	21
Unsupported Costs	\$504,859	
Net Questioned Costs¹⁴	\$904,859	
Funds to be put to Better Use:¹⁵		
Unspent Grant Funds – Grant Number 2013-VA-GX-0035	\$111,157	20
Unspent Grant Funds – Grant Number 2014-VC-GX-0045	<u>20,034</u>	21
Total Funds to be put to Better Use	\$131,191	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$1,036,050</u>	

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

¹⁵ **Funds to be put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

OFFICE OF JUSTICE PROGRAMS RESPONSE
TO THE DRAFT AUDIT REPORT¹⁶



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

MAR 23 2018

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

FROM: Ralph E. Martin
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs' Office for Victims of Crime, Crime Victims Fund Formula Grants Awarded to the State of Georgia's Criminal Justice Coordinating Council, Atlanta, Georgia*

This memorandum is in reference to your correspondence, dated March 2, 2018, transmitting the above-referenced draft audit report for the State of Georgia's Criminal Justice Coordinating Council (CJCC). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains 19 recommendations, \$1,016,016 in questioned costs, and \$20,034 in funds put to better use. 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 remedy \$196,000 in excess award made under Grant Number 2013-VC-GX-0045, as a result of an inaccurate certification.**

OJP agrees with the recommendation. We will review the \$196,000 in questioned costs, related to excess grant funds awarded to CJCC under Grant Number 2013-VC-GX-0045, as a result of an inaccurate certification, and will work with CJCC to remedy, as appropriate.

- 2. We recommend that OJP remedy \$15,000 in excess award made under Grant Number 2014-VC-GX-0045, as a result of an inaccurate certification.**

OJP agrees with the recommendation. We will review the \$15,000 in questioned costs, related to excess grant funds awarded to CJCC under Grant Number 2014-VC-GX-0045, as a result of an inaccurate certification, and will work with CJCC to remedy, as appropriate.

¹⁶ Attachments to this response were not included in this final report.

After issuing our draft report and receiving OJP's official response, we changed "unsupported" to "funds to be put to better use" in Recommendation 11.

3. **We recommend that OJP remedy \$58,000 in excess award made under Grant Number 2015-VC-GX-0039, as a result of an inaccurate certification.**

OJP agrees with the recommendation. We will review the \$58,000 in questioned costs, related to excess grant funds awarded to CJCC under Grant Number 2015-VC-GX-0039, as a result of an inaccurate certification, and will work with CJCC to remedy, as appropriate.

4. **We recommend that OJP remedy \$121,000 in excess award made under Grant Number 2016-VC-GX-0025, as a result of an inaccurate certification.**

OJP agrees with the recommendation. We will review the \$121,000 in questioned costs, related to excess grant funds awarded to CJCC under Grant Number 2016-VC-GX-0025, as a result of an inaccurate certification, and will work with CJCC to remedy, as appropriate.

5. **We recommend that OJP remedy \$10,000 in excess award made under Grant Number 2017-VC-GX-0007, as a result of an inaccurate certification.**

OJP agrees with the recommendation. We will review the \$10,000 in questioned costs, related to excess grant funds awarded to CJCC under Grant Number 2017-VC-GX-0007, as a result of an inaccurate certification, and will work with CJCC to remedy, as appropriate.

6. **We recommend that OJP require the CJCC to submit a corrected FY 2016 Crime Victim Compensation State Certification Form to ensure that the FY 2018 Victim Compensation Formula award to the CJCC is calculated correctly.**

OJP agrees with this recommendation. On March 5, 2018, CJCC submitted a corrected Fiscal Year (FY) 2016 Crime Victim Compensation State Certification Form to OJP (see Attachment). Accordingly, CJCC's FY 2018 Victim Compensation Formula award amount will be calculated based on this corrected form. The Office of Justice Programs requests closure of this recommendation.

7. **We recommend that OJP ensure that the CJCC develops and implements procedures to ensure that it completes Crime Victim Compensation State Certification Forms accurately.**

OJP agrees with this recommendation. We will coordinate with CJCC to obtain a copy of written procedures, developed and implemented, to ensure that future Crime Victim Compensation State Certification Forms are accurately prepared, and the supporting documentation is maintained for future auditing purposes.

8. **We recommend that OJP ensure that the CJCC implement procedures to validate data provided by subrecipients, to ensure the accuracy of victim assistance performance reports.**

OJP agrees with the recommendation. We will coordinate with CJCC to obtain a copy of written procedures, developed and implemented, to ensure that data provided by subrecipients is properly validated, to ensure the accuracy of victim assistance performance reports.

9. **We recommend that OJP ensure that CJCC establishes procedures to ensure the accuracy of victim compensation performance reports.**

OJP agrees with this recommendation. We will coordinate with CJCC to obtain a copy of written procedures, developed and implemented, to ensure that victim compensation performance reports are accurately prepared, and the supporting documentation is maintained for future auditing purposes.

10. **We recommend that OJP remedy \$4,420 in excess drawdowns for Grant Number 2012-VA-GX-0035.**

OJP agrees with the recommendation. We will review the \$4,420 in questioned costs, related to excess drawdowns made under Grant Number 2012-VA-GX-0035, and will work with CJCC to remedy, as appropriate.

11. **We recommend that OJP remedy \$111,157 in unsupported costs for Grant Number 2013-VA-GX-0035.**

OJP agrees with the recommendation. We will review the \$111,157 in questioned costs, related to unsupported costs for Grant Number 2013-VA-GX-0035, and will work with CJCC to remedy, as appropriate.

12. **We recommend that OJP remedy \$351,630 in unsupported costs for Grant Number 2014-VA-GX-0028.**

OJP agrees with the recommendation. We will review the \$351,630 in questioned costs, related to funds drawn down during the liquidation period for Grant Number 2014-VA-GX-0028, and will work with CJCC to remedy, as appropriate.

13. **We recommend that OJP remedy \$2,240 in excess drawdowns for Grant Number 2014-VA-GX-0028.**

OJP agrees with the recommendation. We will review the \$2,240 in questioned costs, related to excess drawdowns made under Grant Number 2014-VA-GX-0028, and will work with CJCC to remedy, as appropriate.

14. **We recommend that OJP remedy \$7,579 in excess drawdowns for Grant Number 2014-VC-GX-0045.**

OJP agrees with the recommendation. We will review the \$7,579 in questioned costs, related to excess drawdowns made under Grant Number 2014-VC-GX-0045, and will work with CJCC to remedy, as appropriate.

15. **We recommend that OJP deobligate and put to better use \$20,034 in grant funds not used from Grant Number 2014-VC-GX-0045.**

OJP agrees with the recommendation. We will review the final Federal Financial Report (FFR) for Grant Number 2014-VC-GX-0045, to ensure that it accurately reflects the cumulative Federal expenditures incurred on the grant. OJP will deobligate any remaining unobligated funds during closeout of the award.

16. **We recommend that OJP remedy \$138,990 in unsupported costs for Grant Number 2014-VC-GX-0045.**

OJP agrees with the recommendation. We will review the \$138,990 in questioned costs, related to costs drawn down during the liquidation period for Grant Number 2014-VC-GX-0045, and will work with CJCC to remedy, as appropriate.

17. **We recommend that OJP ensure that the CJCC adhere to the grant guidelines for managing drawdowns and maintaining minimum cash-on-hand.**

OJP agrees with this recommendation. We will coordinate with CJCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that it implements and adheres to written cash management policies and procedures that are compliant with Department of Justice (DOJ) requirements; and which restrict requests for Federal grant funds to the minimum amounts needed for disbursements to be made immediately or within ten (10) days of draw down.

18. **We recommend that OJP ensure that the CJCC implement procedures to ensure the two-year review cycle is met.**

OJP agrees with this recommendation. We will coordinate with CJCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that it adheres to its two-year review cycle for monitoring its subrecipients.

19. **We recommend that OJP ensure that the CJCC revise its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsourcing of financial management activities.**

OJP agrees with this recommendation. We will coordinate with CJCC to obtain a copy of its revised monitoring policies and procedures, which ensure that: monitoring of subrecipients is adequate; and risks associated with subrecipients' outsourcing of financial management activities are properly addressed.

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.

Attachment

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

LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
Deputy Director, Audit and Review Division
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Darlene L. Hutchinson
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Grants Financial Management Division
Office of the Chief Financial Officer

cc: Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20180305104240

**THE STATE OF GEORGIA'S CRIMINAL JUSTICE
COORDINATING COUNCIL RESPONSE
TO THE DRAFT AUDIT REPORT¹⁷**

NATHAN DEAL
GOVERNOR



JAY NEAL
EXECUTIVE DIRECTOR

March 15, 2018

Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
U.S. Department of Justice
75 Ted Turner Drive SW, Suite 1130
Atlanta, GA 30303
Via e-mail to: Ferris.B.Polk@usdoj.gov

Dear Mr. Polk,

The Georgia Criminal Justice Coordinating Council (CJCC) acknowledges receipt of the report for the Audit of the Office of Justice Programs' Office of Victims of Crime, Crime Victims Fund Formula Grants Awarded to the State of Georgia's Criminal Justice Coordinating Council dated March 2nd 2018. This audit was conducted by the Department of Justice Office of the Inspector General (OIG) between October 2015 and February 2018 and covered Victims of Crime Act (VOCA) grants from FY 2012 through FY 2017.

CJCC agrees to work with the Office of Justice Programs (OJP) to remedy all recommendations included in the OIG report. However, CJCC is concerned with the content and nature of some of the findings, and this is particularly the case with recommendations numbered 10 through 16, in which the monetary nature and extent were not disclosed prior to the issuance of the audit report. CJCC is compelled to highlight issues with newly raised recommendations, and does so in the body of this letter in order to avoid excessive length in the responses to each numbered item:

- CJCC acknowledges that its closeout procedures related to grants and draw procedures need improvement, and fully commits to do so.
- CJCC asserts that the characterization of the expenses identified in items 10 through 16 as unsupported and unobligated is not accurate. These transactions are reflective of allowable reimbursements to properly awarded sub-grantees conducted during the active period of the referenced grants. CJCC provided documentation and explanation to this effect.
- While it is stated in the report that "It appears, and CJCC officials confirmed to us, that the CJCC routinely reclassifies and transfers previously-reimbursed grant expenditures to other grants that are about to expire," the other practical explanations, considerations, and extenuating circumstances provided by CJCC are neither considered nor presented in the context of the report. We would appreciate further discussion on this topic with OJP so that we may be able to provide our explanations in relation to this matter.
- CJCC notes that the challenged practices have never been questioned during OJP OCFO technical assistance visits, OJP OVC program reviews, or during state audits of federal funds

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¹⁷ Attachments to this response were not included in this final report.

Due to technical comments received from OJP after issuing our draft report and receiving CJCC's official response, we changed the word "deobligate" to "remedy" in Recommendation 11 and revised Recommendations 12 and 16 to address unsupported costs.

conducted by the Georgia Department of Audits and Accounts, which is empowered as an independent auditor for the State of Georgia.

- CJCC has not completed draws of the referenced funds because OJP grants that are under audit cannot go through final closeout. Without final closeout of the grant a final draw cannot be executed. CJCC has actual expenses for which these funds are needed to cover, and it would have drawn them long before the February 21st, 2018 date identified in the report were CJCC able to do so.
- CJCC notes that these de-obligated amounts are ultimately reflective of legitimate expenses supporting the providers of services to victims of crime in Georgia and to crime victims themselves. The act of remediation will, of necessity, be deleterious to current and future funding for these services.
- CJCC notes that this audit covered seven state fiscal years and required 2.5 years to complete. These specific findings were not raised in full until the conclusion of the audit in 2018. As such the actions required for remediation will require substantial consideration as many pertain to closed grants in past fiscal years, and reflect funds long since expended.

The Georgia Criminal Justice Coordinating Council is unaware of the better uses that the referenced funds could be put to, but asserts that there is no better use for them than they have already been put to; serving victims and lessening the impact of violent crime on the citizens of Georgia. Nonetheless, though CJCC strenuously disagrees with the characterization of the agency's actions in the report, CJCC is fully committed to resolving the recommendations to the satisfaction of OJP and OIG.

CJCC appreciates the opportunity to respond to this report and provides the following responses and corrective actions for the recommendations within the report:

1. Remedy \$196,000 in excess award made under Grant Number 2013-VC-GX-0045 due to inaccurate certification.

Response: CJCC partially agrees and will work with OJP to remedy this recommendation. CJCC recognizes that prior to a 2016 reorganization that included two major changes in agency operations, revenue reconciliation between the agency claims processing system and the state financial system was difficult. These two changes were the transfer of revenue processing, as it pertains to victims' compensation, from the Victims Compensation Division to CJCC's dedicated financial unit, and the implementation of a new and modernized claims system.

However, CJCC must note in the context of this recommendation that the final deposit of funds and revenue ledger of the State of Georgia Teamworks Financial System (official record for Georgia's financial transactions) are the accurate representation of restitution, subrogation, and refunds received by CJCC. CJCC firmly asserts that the revenue submitted on the certification form in question was an accurate statement of revenues at that time and today. In light of the inability to reconcile the past differences, CJCC will act as necessary to remedy the reported excess award.

CJCC finally notes that the "under-reported VOCA funds" in this case would have been compensated for in the subsequent certification report, and therefore corrected. Regardless, CJCC commits to remedy any amount required to satisfy this recommendation.

2. Remedy \$15,000 in excess award made under Grant Number 2014-VC-GX-0045 as a result of an inaccurate certification.
Response: CJCC agrees and will work with OJP to remedy this recommendation.
3. Remedy \$58,000 in excess award made under Grant Number 2015-VC-GX-0039 as a result of inaccurate certification.
Response: CJCC partially agrees and will with work OJP to remedy this recommendation. CJCC provides the same caveat to this response as was issued in its reply to Recommendation #1.
4. Remedy \$121,000 in excess award made under Grant Number 2016-VC-GX-0025 as a result of inaccurate certification.
Response: CJCC partially agrees and will with work OJP to remedy this recommendation. CJCC provides the same caveat to this response as was issued in its reply to recommendation #1.
5. Remedy \$10,000 in excess award made under Grant Number 2017-VC-GX-0007 as a result of inaccurate certification.
Response: CJCC partially agrees and will with work OJP to remedy this recommendation. CJCC provides the same caveat to this response as was issued in its reply to Recommendation #1.
6. Require the CJCC to submit a corrected FY 2016 Victim Compensation State Certification Form to ensure that the FY 2018 victim compensation formula award to the CJCC is calculated correctly.
Response: CJCC agrees to remedy this recommendation. CJCC Submitted a corrected form identifying expenditures as stated by the OIG to OJP Office of Victim of Crime on March 7, 2018, allowing for correction of the award prior to issuance. CJCC is providing proof of this action as *Attachment 1*.
7. Ensure that the CJCC develops and implements procedures to ensure that it completes Victim Compensation State Certification Forms accurately.
Response: CJCC agrees to this recommendation and will submit revised policy and procedures to OJP within a reasonable period of the finalization of the report.
8. Ensure that the CJCC implements procedures to validate data provided by sub-recipients to ensure the accuracy of victim assistance performance reports.
Response: CJCC agrees to this recommendation and began corrective actions in FY 2017. CJCC will provide documentation and procedures used for present and future correction action to within a reasonable period of the finalization of the report.
9. Ensure that CJCC establishes procedures to ensure the accuracy of victim compensation performance reports.
Response: CJCC agrees, and will provide OJP with both procedures and steps already taken to remedy the previous inconsistencies in performance reporting within a reasonable period of the finalization of

the report..

10. Remedy \$4,420 in excess drawdowns for Grant Number 2012-VA-GX-0035.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

11. De-obligate and put to better use \$111,157 in grant funds not used from Grant Number 2013-VA-GX-0035.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

12. Remedy \$351,630 in unsupported unobligated cost drawn down during the liquidation period from Grant Number 2014-VA-GX-0028.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

13. Remedy \$2,240 in excess drawdowns for Grant Number 2014-VA-GX-0028.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

14. Remedy \$7,579 in excess drawdowns for Grant Number 2014-VC-GX-0045.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

15. De-obligate and put to better use \$20,034 in grant funds not used from Grant Number 2014-VC-GX-0045.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

16. Remedy \$138,990 in unsupported unobligated cost drawn down during the liquidation period from Grant Number 2014-VC-GX-0045.

Response: CJCC partially agrees and will work with OJP to remedy this finding. The nature of CJCC's partial agreement is included in the above letter.

17. Ensure that the CJCC adhere to the grant guidelines for managing drawdowns and maintaining minimum cash-on-hand.

Response: CJCC agrees with this recommendation and will provide documentation of updated and improved drawdown and cash management practices to OJP within a reasonable period of the finalization of the report..

18. Ensure that the CJCC implement procedures to ensure the 2-year review cycle is met.

Response: CJCC agrees with this recommendation. CJCC has hired additional staff and restructured the Grants and Policy Division to ensure CJCC is able to conduct on-site monitoring of all VOCA subrecipients once every two years as required by the Final Rule for the Victims of Crime Act Victim Assistance Program. In fact, CJCC is scheduled to complete on-site visits to all VOCA subrecipients within the two-year period that began with the Final Rule's effective date of August 8, 2016.

19. Ensure that the CJCC revise its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsourcing of financial management activities.

Response: CJCC partially agrees with this recommendation and will continue to work with OJP to ensure CJCC's monitoring policies and procedures are sufficient. CJCC is in partial agreement because it has been unable to address the specific concern raised by the OIG on page 24 of the report because the OIG has not provided sufficient information to CJCC staff including the name of the sub-grantee organization in question.

Sincerely,



Jay Neal
Executive Director
Criminal Justice Coordinating Council
State of Georgia

CC: Steven Hatfield
Deputy Director
Criminal Justice Coordinating Council

Nathan Branscome
Director of Administration, CFO
Criminal Justice Coordinating Council

Aisha Ford,
Victims Compensation Division Director
Criminal Justice Coordinating Council

Robert Thornton,
Grants and Policy Division Director
Criminal Justice Coordinating Council

Linda J. Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment and Management

**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 Office of Justice Programs (OJP) and the State of Georgia's Criminal Justice Coordinating Council (CJCC). OJP's response is incorporated in Appendix 3 and the CJCC response is incorporated in Appendix 4 of this final report. OJP agreed with each recommendation contained in this report and discussed the actions it plans to complete in order to address the recommendations. As a result, the audit report is resolved. OJP also provided technical comments that are not included in this report. In response to the technical comments, we clarified some areas of the report and recommendations as described below. The following provides the OIG analysis of the responses and summary and actions necessary to close the report.

Analysis of CJCC Response

In its response, CJCC officials expressed concerns with findings related to recommendations numbers 10 through 16, which the CJCC states "the monetary nature and extent were not disclosed prior to the issuance of the audit report." The OIG disagrees with this statement. During the audit, the OIG maintained communication through emails, telephone calls, and at least three additional meetings in person with CJCC program and finance staff during which we discussed our audit findings and sought to obtain responses regarding the findings. In some instances, as indicated elsewhere in this analysis, the CJCC undertook corrective actions regarding the audit findings we discussed. During the interactions with CJCC staff and managers, we advised them that our report would contain management improvement recommendations to address the causes of the findings we identified. In addition, we told CJCC managers that the preliminary questioned costs we identified and discussed with them for each grant would appear as questioned costs in the draft audit report if not remedied prior to issuance of that report. In October 2017, the CJCC provided us with accounting reports for the life of the grants audited, and we used those reports to update our analyses. During the audit closeout meeting in December 2017, the OIG advised the CJCC of our plans to obtain updated drawdown reports from OJP and that the final amounts to be questioned, if necessary, would be included in the draft report. As discussed in this audit report, after the closeout meeting, the CJCC received two additional drawdowns for which supporting documentation was not provided for our review.

The CJCC asserted that the unsupported and unobligated costs we identified in Recommendations 10 through 16 were not accurate and that the transactions were for allowable reimbursements to subrecipients. The OIG disagrees. The questioned costs resulted from the CJCC's routine practice of reclassifying and transferring previously reimbursed expenditures between grants to justify grant drawdowns. In some circumstances, this practice resulted in excess cash-on-hand and, as discussed in the report, once we identified this problem the CJCC returned funds to OJP. We continue to

believe this grant management practice is inadequate for maintaining minimum cash-on-hand for grant awards, and increases the risk for unsupported costs.

The CJCC stated in its response the other practical explanations, considerations, and extenuating circumstances provided by CJCC are neither considered nor presented in the context of the report. As discussed above, we made numerous efforts to discuss our audit results with CJCC staff and managers, and we included their comments in our audit results to the extent possible. We believe that the audit report fairly represents the explanations provided to us during the audit, and the CJCC did not disclose what additional explanations, considerations, and circumstances were necessary to identify.

The CJCC stated the practices we identified as problematic have not been questioned by other reviewers. However, the OIG is independent from these other reviewers, and the lack of prior reported findings does not limit the OIG's independent reporting of findings.

The CJCC stated that it has not completed draws of referenced funds because OJP grants that are under audit cannot go through final closeout and that it has actual expenses that can be covered by the funds yet to be drawn. Based on its past activities of transferring expenditures to expiring grants, the OIG cannot verify whether the actual expenditures CJCC is referencing were previously reimbursed under another grant. Reclassifying those expenditures to support drawdowns for these audited grants that are eligible for final closeout may create additional unsupported costs. As a result, OJP should verify the source of those expenditures before accepting them as remedies for these recommendations.

The CJCC stated that the de-obligated amounts were reflective of legitimate expenses supporting the providers of services to victims of crime in Georgia and to crime victims themselves. The CJCC further stated that "the act of remediation will, of necessity, be deleterious to current and future funding for these services." We note that there are several possible remedies for questioned cost we identify, some of which do not require the recovery of funds. Regardless of the remedy, ensuring the proper use of program funds does not result in a "deleterious effect" on citizens of Georgia and, in fact, accrues to their benefit.

Recommendations for OJP:

1. Remedy \$196,000 in excess award made under Grant Number 2013-VC-GX-0045 due to an inaccurate certification.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$196,000 in questioned costs for excess grant funds awarded to the CJCC under Grant Number 2013-VC-GX-0045, as a result of an inaccurate certification, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated that it will work with OJP to remedy this recommendation. The CJCC stated that its reorganization made it difficult for reconciliations between the agency claims processing and the state financial systems. The CJCC also stated that the

revenues on the certification forms submitted to OJP were accurate at that time. The CJCC indicated that in light of the inability to reconcile the past differences, CJCC will act as necessary to remedy the reported excess award. In addition the CJCC noted that the "under-reported VOCA funds" in this case would have been compensated for in the subsequent certification report, and therefore corrected. The OIG disagrees based on the poor reliability of the accounting reports and commingling of revenues within different accounts, which resulted in the initial calculation of errors and excess awards. The OIG also believes that the correction would not be realized immediately because the subsequent certification report would be not submitted until one year later.

This recommendation can be closed when we receive documentation demonstrating that the \$196,000 in questioned costs has been remedied.

2. Remedy \$15,000 in excess award made under Grant Number 2014-VC-GX-0045 as a result of an inaccurate certification.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$15,000 in questioned costs related to excess grant funds awarded to the CJCC under Grant Number 2014-VC-GX-0045, as a result of an inaccurate certification, and will work with the CJCC to review, as appropriate.

The CJCC concurred with our recommendation and stated in its response that it will work with OJP to remedy this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the \$15,000 in questioned costs has been remedied.

3. Remedy \$58,000 in excess award made under Grant Number 2015-VC-GX-0039 as a result of an inaccurate certification.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$58,000 in questioned costs related to excess grant funds awarded to the CJCC under Grant Number 2015-VC-GX-0039, as a result of an inaccurate certification, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this recommendation. In its response to Recommendation 1, the CJCC made comments for this recommendation, and the OIG addressed these comments in the analysis of Recommendation 1.

This recommendation can be closed when we receive documentation demonstrating that the \$58,000 in questioned costs has been remedied.

4. Remedy \$121,000 in excess award made under Grant Number 2016-VC-GX-0025 as a result of an inaccurate certification.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$121,000 in questioned costs related to excess grant funds awarded to the CJCC under Grant Number 2016-VC-GX-0025, as a result of an inaccurate certification, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this recommendation. In the response to Recommendation 1, the CJCC made comments for this recommendation, and the OIG addressed these comments in the analysis of Recommendation 1.

This recommendation can be closed when we receive documentation demonstrating that the \$121,000 in questioned costs has been remedied.

5. Remedy \$10,000 in excess award made under Grant Number 2017-VC-GX-0007 as a result of an inaccurate certification.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$10,000 in questioned costs related to excess grant funds awarded under Grant Number 2017-VC-GX-0007, as a result of an inaccurate certification, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this recommendation. In the response to Recommendation 1, the CJCC made comments for this recommendation, and the OIG addressed these comments in the analysis of Recommendation 1.

This recommendation can be closed when we receive documentation demonstrating that the \$10,000 in questioned costs has been remedied.

6. Require the CJCC to submit a corrected FY 2016 Victim Compensation State Certification Form to ensure that the FY 2018 victim compensation formula award to the CJCC is calculated correctly.

Closed. OJP concurred with our recommendation. OJP stated in its response that on March 5, 2018, the CJCC submitted a corrected FY 2016 Crime Victim Compensation State Certification Form. Accordingly, the CJCC's FY 2018 Victim Compensation Formula award amount will be calculated based on this corrected form.

This recommendation is closed based on the CJCC's submission of a corrected FY 2016 Victim Compensation State Certification form for the FY 2018 victim compensation formula award.

7. Ensure that the CJCC develops and implements procedures to ensure that it completes Victim Compensation State Certification Forms accurately.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of written procedures, developed and implemented, to ensure that future Crime Victim Compensation State Certification Forms are accurately prepared, and the supporting documentation is maintained for future audit purposes.

The CJCC concurred with our recommendation and stated in its response that it will submit revised policy and procedures to OJP within a reasonable period of the finalization of the report.

This recommendation can be close when we receive documentation demonstrating it has developed and implemented procedures to ensure that it completes Victim Compensation State Certification Forms accurately.

8. Ensure that the CJCC implements procedures to validate data provided by subrecipients to ensure the accuracy of victim assistance performance reports.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of written procedures, developed and implemented, to ensure that data provided by subrecipients is properly validated, to ensure the accuracy of victim assistance performance reports.

The CJCC concurred with our recommendation and stated in its response that it had begun corrective actions in FY 2017 and that it will provide documentation and procedures used for present and future corrective action within a reasonable period of the finalization of the report.

This recommendation can be closed when we receive documentation demonstrating it implemented procedures to validate data provided by subrecipients to ensure the accuracy of victim assistance performance reports.

9. Ensure that the CJCC establishes procedures to ensure the accuracy of victim compensation performance reports.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of written procedures, developed and implemented, to ensure that victim compensation performance reports are accurately prepared, and the supporting documentation is maintained for future auditing purposes.

The CJCC concurred with our recommendation and stated in its response that it will work to provide OJP with procedures and steps taken to remedy previous inconsistencies in performance reporting.

This recommendation can be closed when we receive documentation demonstrating that the CJCC had established procedures to ensure the accuracy of victim compensation performance reports.

10. Remedy \$4,420 in excess drawdowns for Grant Number 2012-VA-GX-0035.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$4,420 in questioned costs, related to excess drawdowns made under Grant Number 2012-VA-GX-0035, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG's analysis of CJCC's partial agreement was previously discussed in the *Analysis of CJCC's Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$4,420 in questioned costs has been remedied.

11. Remedy \$111,157 in funds to be put to better use for Grant Number 2013-VA-GX-0035.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$111,157 in questioned costs for Grant Number 2013-VA-GX-0035, and will work with the CJCC to remedy, as appropriate. After receiving the draft report, OJP provided technical comments and stated that after the grant closeout period, grantees can request and may receive a drawdown from the remaining balance of a grant award for obligated expenditures incurred during the grant period. Therefore, OJP requested "deobligate" be removed from this recommendation. We explained to OJP that the CJCC submitted its final FFR in December 2016 certifying its total outlays equaled the grant award, and later (January 2017), reclassified previously reimbursed expenditures from a different grant to Grant 2013-VA-GX-0035 for the remaining balance of \$111,157. The OIG believes this is an example of the CJCC practice to address excess drawdowns and justify certifying to OJP its accounting records reflected the grant award in its final FFR. As a result, the OIG revised this recommendation for OJP to remedy the \$111,157 in funds to be put to better use for Grant Number 2013-VA-GX-0035.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG's analysis of CJCC's partial agreement was previously discussed in the *Analysis of CJCC's Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$111,157 in funds to be put to better use has been remedied.

12. Remedy \$351,630 in unsupported costs for Grant Number 2014-VA-GX-0028.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$351,630 in questioned costs, related to funds drawn down during the liquidation period for Grant Number 2014-VA-GX-0028, and will work with the CJCC to remedy, as appropriate. OJP provided technical comments and requested the removal of “unobligated” because the CJCC incurred these costs. The OIG revised this recommendation and considered the \$351,630 as unsupported because the CJCC requested and received a drawdown from OJP after the audit closeout meeting, but CJCC did not provide the OIG with the supported transactions and documentation for that drawdown.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG’s analysis of CJCC’s partial agreement was previously discussed in the *Analysis of CJCC’s Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$351,630 in questioned costs has been remedied.

13. Remedy \$2,240 in excess drawdowns for Grant Number 2014-VA-GX-0028.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$2,240 in questioned costs, related to excess drawdowns under Grant Number 2014-VA-GX-0028, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG’s analysis of CJCC’s partial agreement was previously discussed in the *Analysis of CJCC’s Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$2,240 in questioned costs has been remedied.

14. Remedy \$7,579 in excess drawdowns for Grant Number 2014-VC-GX-0045.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$7,579 in questioned costs, related to excess drawdowns under Grant Number 2014-VC-GX-0045, and will work with the CJCC to remedy, as appropriate.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG’s analysis of CJCC’s partial agreement was previously discussed in the *Analysis of CJCC’s Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$7,579 in questioned costs has been remedied.

15. Deobligate and put to better use \$20,034 in grant funds not used from Grant Number 2014-VC-GX-0045.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the final Federal Financial Report for Grant Number 2014-VC-GX-0045, to ensure that it accurately reflects the cumulative federal expenditures incurred on the grant. OJP will deobligate any remaining unobligated funds during closeout of the award.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG's analysis of CJCC's partial agreement was previously discussed in the *Analysis of CJCC's Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$20,034 has been deobligated.

16. Remedy \$138,990 in unsupported costs for Grant Number 2014-VC-GX-0045.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$138,990 in questioned costs, related to costs drawn down during the liquidation period for Grant Number 2014-VC-GX-0045, and will work with the CJCC to remedy, as appropriate. OJP provided technical comments and requested the removal of "unobligated" because the CJCC may have incurred costs to support the questioned costs. The OIG revised this recommendation and considered the \$138,990 as unsupported because the CJCC requested and received a drawdown from OJP after the audit closeout meeting, but CJCC did not provide the OIG with the supported transactions and documentation for that drawdown.

The CJCC partially concurred with our recommendation and stated in its response that it will work with OJP to remedy this finding. The OIG's analysis of CJCC's partial agreement was previously discussed in the *Analysis of CJCC's Response* section of this final audit report appendix.

This recommendation can be closed when we receive documentation demonstrating the \$138,990 in questioned costs has been remedied.

17. Ensure that the CJCC adhere to the grant guidelines for managing drawdowns and maintaining minimum cash-on-hand.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that the it implements and adheres to written cash management policies and procedures that are compliant with DOJ requirements; and which restrict requests for federal grant funds to the minimum amounts needed for disbursements to be made immediately or within ten days of draw down.

The CJCC concurred with this recommendation and indicated that it will provide documentation of updated and improved drawdown and cash management practices to OJP within a reasonable period of the finalization of the report.

This recommendation can be closed when we receive documentation demonstrating that the CJCC's documentation of updated and improved drawdown and cash management practices.

18. Ensure that the CJCC implement procedures to ensure the 2-year review cycle is met.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of written policies and procedures, developed and implemented, to ensure that it adheres to its 2-year review cycle for monitoring its subrecipients.

The CJCC concurred with our recommendation and stated it has hired additional staff and restructured its Grants and Policy Division to ensure it is able to conduct on-site monitoring of all VOCA subrecipients once every 2 years as required by the Final Rule for the Victims of Crime Act Victim Assistance Program. The CJCC is scheduled to complete onsite visits to all VOCA subrecipients within the 2-year period that began with the Final Rule effective date of August 8, 2016.

This recommendation can be close when we receive documentation demonstrating that the CJCC has implemented procedures to ensure the 2-year review cycle is met.

19. Ensure that the CJCC revise its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsource of financial management activities.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the CJCC to obtain a copy of its revised monitoring policies and procedures, which ensures that: monitoring of subrecipients is adequate; and risks associated with subrecipients' outsourcing of financial management activities are properly addressed.

The CJCC partially concurred with our recommendation and stated that it will continue to work with OJP to ensure the CJCC's monitoring policies and procedures are sufficient. The CJCC stated that "it has been unable to address the specific concern raised by the OIG on page 24 of the report because the OIG has not provided sufficient information to CJCC staff including the name of the sub-grantee organization in question." The OIG disagrees. Beginning on page 23, the audit report notes that the OIG conducted site visits to five subrecipients. We discussed our site visits plans with the CJCC managers who assisted us by providing documents and facilitating the initial contacts with each subrecipient. For the subject subrecipient, we provided CJCC managers an

overview of our results, including details of our observations on the accounting system. Subsequently, we followed up with CJCC managers to determine if the subject subrecipient had received a review, and we determined that a review was performed in April 2017. We evaluated the monitoring report and determined that it did not address the concerns we identified with the subrecipients' accounting practices.

This recommendation can be close when we receive documentation demonstrating that the CJCC revised its monitoring policies and procedures to ensure adequate financial monitoring of subrecipients, including procedures to address the risks associated with subrecipients' outsourcing of financial management activities.



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