



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

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Justice
Programs Office for Victims of
Crime Victim Assistance Formula
Grants Awarded to the Mississippi
State Department of Health,
Jackson, Mississippi**



Executive Summary

*Audit of the Office of Justice Programs Office for Victims of Crime
Victim Assistance Formula Grants Awarded to the Mississippi State
Department of Health, Jackson, Mississippi*

Objective

The objective of the audit was to evaluate how the Mississippi State Department of Health (MSDH) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Results in Brief

We concluded that MSDH used its grant funds to enhance services for crime victims in Mississippi. We found that MSDH took appropriate steps to announce and distribute its funding to subrecipients to meet victim service needs. We determined that MSDH established sufficient written policies and procedures governing requisitioning, procurement, payment, and general operation. We also determined that MSDH implemented policies, processes, and systems to adequately account for grant funds. However, we found that MSDH needs to improve areas of its grant management of *Victims of Crime Act* (VOCA) grants and should establish and implement procedures to validate the subgrant award data entered into the web-based Performance Measurement Tool. We found that MSDH had not yet fully met the requirement for on-site monitoring of all subrecipients at least once every 2 years. However, in March 2018, the MSDH increased its monitoring effort with a schedule to complete all required on-site reviews within the 2-year period. We also concluded that MSDH could improve its federal financial reporting and drawdown processes. We also identified \$219,433 in dollar related findings.

Recommendations

Our report contains nine recommendations for MSDH to improve its grant management and administration and to remedy questioned costs. We requested a response to our draft audit report from OJP and MSDH, which can be found in Appendices 3, and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three VOCA victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to MSDH in Jackson, Mississippi. The OVC awarded these formula grants, totaling \$39,366,911 for Fiscal Years (FY) 2014 to 2016, from the Crime Victims Fund (CVF) to enhance crime victim services throughout Mississippi. MSDH drew down \$17,885,618 for all of the grants we reviewed.

We found that MSDH used grant funds to enhance services for crime victims. However, we also found that the MSDH needed to improve in certain areas to comply with essential award conditions.

Grant Program Planning and Execution – MSDH announced and distributed its funding to subrecipients, and identified and planned activities to meet victim service needs in accordance with program goals. MSDH adequately communicated VOCA requirements to its subrecipients.

Program Requirements and Performance Reporting – MSDH largely complied with program requirements, but should enhance its review of total subaward amounts consolidated for state-wide reporting.

Grant Financial Management – MSDH established sufficient written policies and procedures for its requisition, procurement, payment practices. MSDH also implemented policies, processes, and systems to adequately account for grant funds. However, we identified \$183,135 in funds drawn down in excess of expenditures and \$5,656 in funds not drawn down.

Subaward Expenditures – We found that expenses for one subrecipient included \$30,642 in construction costs that were not allowable under the grant conditions, and \$7,849 in construction costs for which the grantee could not produce adequate documentation.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE FOR VICTIMS OF CRIME
VICTIM ASSISTANCE FORMULA GRANTS
AWARDED TO
THE MISSISSIPPI STATE DEPARTMENT OF HEALTH,
JACKSON, MISSISSIPPI**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE FOR VICTIMS OF CRIME
VICTIM ASSISTANCE FORMULA GRANTS
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THE MISSISSIPPI STATE DEPARTMENT OF HEALTH,
JACKSON, MISSISSIPPI**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Mississippi State Department of Health (MSDH) in Jackson, Mississippi. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from Fiscal Years (FY) 2014 to 2016, these OVC grants totaled \$39,366,911.

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

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2014-VA-GX-4054	12/28/2016	10/01/2013	9/30/2017	\$282,763 ^a
2015-VA-GX-4038	8/02/2016	10/01/2014	9/30/2018	\$18,418,789
2016-VA-GX-0024	9/19/2016	10/01/2015	9/30/2019	\$20,665,359
TOTAL:				\$39,366,911

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

^a OJP originally awarded grant number 2014-VA-GX-0054 for \$4,505,367 to the Mississippi Division of Public Safety Planning. When the State of Mississippi changed the designated state administering agency, OJP closed the original grant and awarded grant number 2014-VA-GX-4054 for the balance of \$282,763 to MSDH.

Source: OJP

Established by the *Victims of Crime Act* (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF 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 may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress (the cap).

In FY 2015, Congress significantly raised the previous year's cap on CVF disbursements, which more than quadrupled the available funding for victim

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

assistance grants from \$455.8 million to \$1.96 billion. In FY 2016, Congress raised the cap again, increasing the available funding for victim assistance to \$2.22 billion. The OVC allocates victim assistance program awards through a population-based formula applied to the amount available for the given year. The annual VOCA victim assistance grant funds available to the State of Mississippi increased from approximately \$4.5 million for FY 2014 to \$18.4 million for FY 2015 and to approximately \$20.7 million for FY 2016.

VOCA victim assistance grant funds support the provision of direct services—such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter—to victims of crime. The OVC distributes these assistance grants to states and territories, which in turn fund subawards 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 Grantee

The State of Mississippi changed the designated state administering agency for Mississippi's VOCA Victim Assistance Program from the Mississippi Division of Public Safety Planning to MSDH effective July 1, 2016. OJP deobligated the active awards and re-obligated the remaining funds under those awards to MSDH. OJP originally awarded grant number 2014-VA-GX-0054 for \$4,505,367 to the Division of Public Safety Planning. When the State of Mississippi changed the designated state administering agency, OJP closed the original grant and awarded grant number 2014-VA-GX-4054 for the balance of \$282,763 to MSDH on December 28, 2016 with an award end date of September 30, 2017. OJP also closed grant number 2015-VA-GX-0038 and awarded the full \$18,418,789 to MSDH as grant number 2015-VA-GX-4038 on August 2, 2016 with an award end date of September 30, 2018. OJP awarded grant number 2016-VA-GX-0024 for \$20,665,359 to MSDH on September 19, 2016 with an award end date of September 30, 2019. Our audit included only the grants awarded to MSDH.

As the Mississippi state administering agency, MSDH is responsible for administering the VOCA victim assistance program and seeks to promote and protect the health of the citizens of Mississippi. MSDH is governed by 11 Board of Health members appointed by the Governor. Within MSDH, the Office Against Interpersonal Violence was established on July 1, 2014, to administer state and federal pass-through victim-services funds and related monies. The office is also responsible for developing, promulgating, and implementing certification and reporting standards for domestic violence and related victim service providers and related activities. Through the Office Against Interpersonal Violence, MSDH awards grants and coordinates efforts to support crime victims in Mississippi. Such efforts include: providing emergency or transitional housing for victims of domestic violence, counseling for victims of crime, legal advice and support, and other similar services for victims of crime.

OIG Audit Approach

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

We tested compliance with what we considered 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 program guidelines (VOCA Guidelines), and the OJP Financial Guide and DOJ Grants Financial Guide (Financial Guides) as our primary criteria.² We also reviewed relevant MSDH policy and procedures and interviewed MSDH personnel to determine how they administered the VOCA funds. Additionally, we interviewed MSDH and subrecipient personnel and obtained and reviewed MSDH and subrecipient records for grant activity.³

² The OJP Financial Guide governs the FY 2014 grant in our scope, while the revised DOJ Grants Financial Guide applies to the FY 2015 and FY 2016 awards. The revised DOJ guide reflects updates to comply with the Uniform Grant Guidance, 2 C.F.R. part 200.

³ Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. MSDH distributes most victim assistance funding to organizations that provide direct services to victims. These include rape treatment centers, domestic violence shelters, centers for missing children, and other community-based victim coalitions and support organizations. As the state administering agency, MSDH has discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies give priority to victims of sexual assault, spousal abuse (including domestic violence), 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 four victim categories, it has the discretion in determining the amount of funds each subrecipient receives.

As part of our audit, we assessed MSDH's overall plan to allocate and award the victim assistance funding. We reviewed how MSDH planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that MSDH appropriately identified and planned to meet additional victim service needs with its increased funding. MSDH took appropriate steps to announce and distribute its funding to subrecipients and adequately communicated the VOCA requirements to the subrecipients in its solicitation and the subaward packages. We did not identify any issues with its process to select subrecipients and found that MSDH adequately communicated applicable VOCA requirements to its subrecipients.

Subaward Allocation Plan

MSDH makes subawards to support the continuation of existing projects providing direct services to victims of crime and to encourage and support new projects. The MSDH plan seeks to enhance existing VOCA funded projects by giving preference to victim assistance grant recipients that have long-standing and proven track records of service to their communities. The previous State Administering Agency made subawards for the majority of the funds for the FY 2014 grant and had completed much of the pre-award efforts for the FY 2015 grant. The FY 2016 grant was the first grant for which MSDH was fully responsible. We reviewed the MSDH's allocation plan for the FY 2016 grant. MSDH provided its allocation plan as part of its application for the FY 2016 VOCA grant. MSDH indicated a goal of distributing 25 percent of the grant to each of four priority program areas of domestic violence, sexual assault, child abuse, and underserved victims. MSDH also stated its intent to conduct a needs assessment and reassess the goals considering any other priorities identified as a result of the assessment. As of March 2018, MSDH had not conducted a needs assessment to solicit or award grant funds to subgrantees. According to an MSDH official, the Office Against

Interpersonal Violence has been working toward completion of a needs assessment and a strategic plan since the office was established and given the responsibility for administering the VOCA funding. MSDH attempted to find a source outside their agency to conduct the assessments but subsequently decided to conduct the assessments in house. Planning for the needs assessment began in March 2018 and was expected to be completed by the end of November 2018.

Subaward Selection Process

VOCA victim assistance grants are awarded to enhance crime victim services in the state. The state awards funds to local community-based organizations that provide direct services to crime victims. MSDH has used an evolving selection process for VOCA subgrants since its designation as the state administering agency. MSDH developed and published solicitations for applications from possible VOCA subrecipients for its FY 2014, FY 2015, and FY 2016 grants. The solicitations were open to continuation projects as well as new projects. To assess how MSDH made subawards, we identified the steps it took to inform, evaluate, and select subrecipients for VOCA funding. As of May 2018 and as detailed in the following paragraphs, MSDH had made subawards to 8 organizations with FY 2014 award funds, 71 organizations with FY 2015 award funds, and 51 organizations with 2016 award funds.⁴

2014-VA-GX-4054: \$282,763 was awarded to MSDH to support one-time expenditures to expand or enhance delivery of trauma-informed services to victims of domestic violence, sexual assault, sexual abuse, child abuse, or underserved crime types. On January 20, 2017, MSDH issued a solicitation for FY 2014 Enhanced Services for Victims of Crime. Eligible subgrantees included local public agencies, non-profit private organizations having a history of providing services for victims of crime, and programs that did not meet the criteria but demonstrated a history of service in their community. MSDH anticipated awarding up to 10 subgrants for performance during a 4-month period from March 1, 2017 to June 30, 2017. MSDH awarded eight subgrants totaling \$278,466, with at least one subgrant in each of the priority categories. Total drawdowns for the FY 2014 VOCA grant were \$277,107. The grant expired on September 30, 2017 leaving a balance of \$5,656. MSDH filed its final Federal Financial Report in December 2017, identifying the unobligated funds of \$5,656 to be returned to the Department of Justice. We consider the \$5,656 as funds to be put to better use, and we recommend that OJP remedy that amount for grant number 2014-VA-GX-4054.

2015-VA-GX-4038: The State of Mississippi was awarded \$18,418,789 in VOCA funding, with \$920,939 available for state administrative expenses. The previous state administering agency, the Division of Public Safety Planning, issued a solicitation, received and evaluated applications, and identified proposed subgrant awards for the FY 2015 VOCA grant. Prior to completion of those subawards, MSDH was designated as the new state administering agency. MSDH reviewed the pre-

⁴ Prior to the designation of MSDH as the state administrative agency, the Mississippi Division of Public Safety Planning awarded subgrants to 45 organizations under grant number 2014-VA-GX-0054.

award efforts by the Division of Public Safety Planning and decided to award the subgrants as identified by that agency. For the FY 2015 VOCA grant, MSDH received 49 applications for continued funding and 6 applications for new projects. MSDH awarded 55 subgrants for a total of \$12,243,571 based on the Division of Public Safety Planning's proposed subawards. MSDH awarded \$11,673,793 to existing subgrantees and \$569,778 to new awardees.

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 detailing efforts to identify additional victim service needs, as well as subaward strategies to spend the substantial increase in available VOCA funding. To address the remaining grant funds, on February 20, 2017, MSDH issued a second solicitation for the FY 2015 Specialized Services for Victims of Crime Program to support projects that would expand or enhance the delivery of specialized trauma-informed service to victims of crime. The MSDH plan for awarding the remaining funds called for increasing awards for continuation awardees and increasing the number of new, qualified applicants with a demonstrated history of providing services to victims of crime. MSDH also planned to identify additional needs by seeking information from existing service providers regarding gaps or areas of need, reviewing existing programs in Mississippi, and assessing the types of victim services funded. MSDH made state-wide outreach efforts and presentations to increase awareness among prosecutors, chiefs of police, and judges. For existing VOCA subrecipients, applications were required to be for services that were not already funded with VOCA funding. Specialized services could address the needs of elderly individuals, children or young adults aging out of the foster care system, individuals with physical or cognitive disabilities, blind or deaf individuals, and other such services. Eligible subgrantees included state or local public agencies and non-profit private organizations such as rape crisis centers, domestic violence shelters, dual programs, child abuse treatment facilities, children shelters, and community based victim service organizations. For the second solicitation, MSDH awarded 16 subgrants for a total of \$2,537,878.

For both solicitations, MSDH awarded 71 subgrants totaling \$14,781,449 and spent \$568,475 in administrative expenses, leaving a balance of \$3,068,865 with \$352,464 available for state administrative expenses as of March 2018. The grant expires on September 30, 2018. MSDH issued a new solicitation on April 20, 2018, for short term funding and began communicating with organizations in an effort to identify appropriate needs and uses for the remaining funds. MSDH was also considering the use of these funds as partial funding for new applicants to the victims services program. Our review of MSDH's plan for allocating the remaining funds is discussed in more detail in the *Subaward Allocation Plan* and *Program Requirements and Performance Reporting* sections of this report.

2016-VA-GX-0024: MSDH was awarded \$20,665,359 in VOCA funding with \$1,033,268 available for state administrative expenses. MSDH issued a solicitation on March 10, 2017 to support the continuation of existing projects providing direct services to victims of crime and to encourage and support new projects. The solicitation was open to continuation as well as new projects. Eligible applicants

included rape crisis centers, domestic violence shelters, dual programs, child abuse treatment facilities, children shelters and community based victim service organizations. Applicants already receiving VOCA funds were eligible to apply for no more than 125 percent of the last previous award under the FY 2015 VOCA grant. Subawards were made for performance during a period of 12 months, beginning July 1, 2017 through June 30, 2018, with a 1-year performance period renewal clause, dependent upon funds remaining on the subaward and the prior year performance. MSDH awarded 51 subgrants for \$14,439,330, and had not charged any administrative expenses to the grant, leaving a balance of \$6,226,029 not awarded as of March 2018. The grant expires on September 30, 2019.

MSDH officials told us the subrecipient selection process relies on a grant review committee made up of outside professionals with expertise in the field of victim services, grant management, and public health. The committee uses a rubric (scoring tool) to score the applications. Scores below 70 are not considered for funding. MSDH officials review the applications and the grant review committee scores, and then make the final funding decisions according to demonstrated need, adherence to application directions, and compliance with federal guidelines. In addition, as discussed previously, MSDH officials told us they intend to conduct a needs assessment as a part of future solicitation processes.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed the MSDH's subaward solicitations and award packages to determine how the grantee communicated its subaward requirements and conveyed to potential applicants the VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements. We found that MSDH adequately communicated the subaward requirements to the subrecipients in its solicitation and the subaward packages.

Program Requirements and Performance Reporting

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

As of May 1, 2018, MSDH had not met the required allocations for priority victim groups for the FY 2015 and FY 2016 grants. However, the grants had not yet closed and MSDH had an adequate plan for meeting the required allocations. Based on our assessment of performance reporting and compliance with special conditions, we believe that MSDH generally implemented adequate procedures to compile annual performance reports but did not comply with all special conditions we tested.

Priority Areas Funding Requirement

The VOCA Guidelines require that MSDH 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 victims. The VOCA Guidelines give each state administering agency the latitude for determining the method for identifying "previously underserved" crime victims.⁵ In its grant solicitation for the FY 2016 VOCA Grant Program, MSDH defined underserved victims as including: individuals who identify as lesbian, gay, bisexual, transgender, or queer; individuals with disabilities; the elderly; and rural victims.

We examined how MSDH allocated VOCA subawards to gauge whether it was on track to meet the program's priority area distribution requirements. Our assessment is summarized in Table 2.

As shown in Table 2, as of April 2018, MSDH had met the 10 percent requirement for all the categories with the FY 2014 grant funds and some of the categories in subsequent years. However, MSDH had not met the 10 percent requirement for funding the sexual assault category for either the FY 2015 or the FY 2016 grants. It also had not met the 10 percent requirement for funding in the category of "previously underserved victims of violent crimes" for the FY 2016 grant. Consequently, funds intended for these categories of victims may not be allocated appropriately and these victims may not be provided the appropriate level of services. Although MSDH had not met the required allocations as of April 3, 2018, the FY 2015 and FY 2016 grants have not closed and still have funds remaining. MSDH could remedy the shortfall before the grants expire. MSDH has a plan to allocate the funds before the expiration of the grant. In April 2018, MSDH began working with rape crisis centers expected to apply for specialized funding under the FY 2015 grant to create mobile sexual assault response teams. MSDH also began working with prosecutors and law enforcement to identify underserved crime types and began communicating with several potential subrecipient agencies. Considering the remaining time available to make subawards and the balances available for making additional subawards, we believe that MSDH is positioned to comply with VOCA distribution requirements for both the 2015 and 2016 grants. Consequently, we make no recommendation.

⁵ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

Table 2
Amount Awarded by MSDH to Subrecipients
by Category of Crime Victim and Federal Award
as of April 3, 2018

	2014-VA-GX-4054	2015-VA-GX-4038	2016-VA-GX-0024
Total CVF Grant Award Amount	\$282,763	\$18,418,789	\$20,665,359
10 percent Required	\$28,276	\$1,841,879	\$2,066,536
Allocation and Percentage of Award Allocated to Each Category of Crime Victim			
Sexual Assault	\$164,255 (58.1 percent)	\$1,677,650 (9.1 percent)	\$1,304,764 (6.3 percent)
Domestic Abuse	\$38,397 (13.6 percent)	\$5,368,405 (29.2 percent)	\$4,856,747 (23.5 percent)
Child Abuse	\$47,539 (16.8 percent)	\$5,173,497 (28.1 percent)	\$6,756,996 (32.7 percent)
Previously Underserved	\$28,276 (10 percent)	\$2,561,896 (13.9 percent)	\$1,520,823 (7.4 percent)

Source: OJP and MSDH

Annual Performance Reports

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

For victim assistance grants, states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, a special condition of the victim assistance grants requires states to collect, maintain, and provide to the OVC data that measures the performance and effectiveness of activities funded by the award. MSDH submitted annual performance reports to the OVC for FYs 2016 and 2017.

We discussed with MSDH officials how they compiled performance report data from their subrecipients. The officials told us that subgrantees enter performance data into PMT each quarter and MSDH staff then review the data to ensure accuracy before it is submitted to the OVC. MSDH is required to complete the Annual Grantee Report during the July-September quarter. After review of the subrecipient information, the annual performance report is populated in the PMT to reflect the complete data input by the subrecipients.

To assess the accuracy of performance reports, we selected a sample of five subrecipients to determine if performance data was accurately reported to MSDH. We tested the reported data for one quarter and found the data was supported in each subrecipient's records.

We also reviewed the total amounts awarded by MSDH and reported to PMT as of March 23, 2018. According to the MSDH guidelines, its staff is required to ensure the accuracy of data entered into PMT. For subrecipients included in MSDH's annual performance report, we traced total reported award amounts to MSDH's subgrant award documents. For grant 2014-VA-GX-4054, PMT reports showed \$4,254,567 more in total awards than we found supported in the MSDH award documents. It appears possible that this occurred because award amounts for the predecessor award to the Mississippi Department of Public Safety Planning was attributed in PMT to the MSDH award. For grant 2015-VA-GX-4038, PMT reported \$344,396 less in awards than supported in the MSDH award documents. For grant 2016-VA-GX-0024, PMT reported \$490,745 more in total awards than we found supported in the MSDH award documents. Accurate PMT reporting would allow OJP and other PMT users to have current information on CVF grant activity. We discussed these differences with MSDH officials who told us that they were uncertain of the causes for the differences. We recommend that OJP ensure that MSDH establish and implement procedures to validate the subgrant award data entered into PMT.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, MSDH certified it would comply with these special conditions. We reviewed the special conditions for the FY 2015 and FY 2016 VOCA victim assistance program grants and tested certain special conditions that we deemed significant to grant performance.

For victim assistance grants, states must report annually to the OVC a Subgrant Award Report that contains basic information on each subrecipient, including the subaward amounts. We compared MSDH's Subgrant Award Report, as of March 23, 2018, to its subgrant award document amounts for the three grants we audited. For the 2015 grant, we identified four subgrants with a total value of \$362,892 that were not included on the Subgrant Award Report. For the 2016 grant, we identified three subgrant modifications for increases of \$65,366 that were not included in the Subgrant Award Report and one subaward that was inaccurately recorded with an immaterial difference of \$175. MSDH officials told us these problems occurred because the Program Manager was not aware of the need to update PMT with the above changes. MSDH officials told us the internal policy manual will be updated to add the requirement. Without complete and accurate data reflecting the subawards made, the OVC is unable to identify funds used for specific program expenditures or for which victim populations. We recommend OJP ensure that MSDH establishes and implements procedures to accurately complete the required Subgrant Award Report.

For the FY 2015 grant, states were required to ensure that all non-profit subrecipients of VOCA assistance funding made their financial statements publicly available. We determined that MSDH required this of all subrecipients. We tested a sample of five subrecipient locations and found that each had verified their non-profit status and published their financial statements online.

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 MSDH's financial management of the VOCA grants, we reviewed the process for MSDH to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate MSDH's financial management of the VOCA grants, we also reviewed the Single Audit Reports for FYs 2014 to 2016 and found no significant deficiencies or material weaknesses specifically related to MSDH. We also interviewed MSDH personnel who were responsible for financial aspects of the grants, reviewed MSDH written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that MSDH implemented adequate controls over its financial activities such as purchasing, payroll, payment, and reconciliation of invoices. MSDH had established sufficient written policies and procedures governing requisitioning, procurement, payment, and general operation, and it segregated the duties related to handling of grant award funding. We also found that MSDH implemented policies, processes, and systems to adequately account for grant funds and minimize the risk of grant financial mismanagement at the subrecipient level. However, we identified weaknesses in MSDH's federal financial reporting and drawdown processes, and \$30,642 in unallowable capital improvement and construction expenses.

Grant Expenditures

State administering agency VOCA expenses fall into two overarching categories: (1) reimbursements to subrecipients – which constitute the majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award. To determine if costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions from each of these categories by reviewing accounting records and verifying support for select transactions.

Subaward Expenditures

According to the MSDH Policy Manual, subrecipients are instructed to submit reimbursement requests on a monthly basis. The request must include supporting documentation for the claimed costs and documentation for any required matching funds, as specified in the MSDH Subgrantee Manual. As of April 2018, MSDH had

paid \$17,237,225 of \$39,366,911 awarded in victim assistance funds to subrecipients.

To evaluate MSDH's financial controls over VOCA victim assistance grant expenditures, we reviewed a judgmental sample of 15 subrecipient reimbursement requests to determine if the payments were accurate, allowable, and in accordance with the VOCA Guidelines. Each reimbursement request included multiple transactions. The selected reimbursement requests included 436 transactions totaling \$429,065 for the three VOCA grants we audited. The transactions we reviewed included costs in categories of personnel, fringe benefits, travel, contracts and consultants, supplies, equipment, training, and operating costs.

One subrecipient submitted a reimbursement request for \$69,520 that included transactions totaling \$30,642 for costs associated with construction of office and bedroom space for a domestic violence shelter and capital improvements related to computer network equipment under grant number 2015-VA-GX-4038. Capital improvement and construction costs are expressly unallowable according to the VOCA Guidelines (28 CFR 94.122). We discussed this cost with MSDH officials who agreed that the VOCA Guidelines clearly identify construction costs as unallowable. However, the MSDH official told us she did not consider the addition of offices and bedrooms to be construction because it did not add to the overall footprint of the building. We believe that framing walls, hanging sheetrock, and installing electrical receptacles and lighting fixtures do constitute construction regardless of the impact on the existing footprint of the exterior of the building. We also found that \$7,849 of these costs were not supported by the documentation provided. Using funds for unallowable purposes is counter to VOCA's guidance for appropriate grant management. Consequently, we question the \$30,642 in unallowable capital improvement and construction expenses, of which \$7,849 is also questioned as unsupported costs for which the grantee could not provide adequate documentation. We recommend that OJP remedy the \$30,642 in unallowable costs and the \$7,849 in unsupported costs for grant number 2015-VA-GX-4038. The remaining transactions we reviewed were found to be allowable, supported, and accurate.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim assistance program and for training. However, such costs must derive from efforts to expand or improve how the agency administers the VOCA grant program specifically. For the victim assistance grant program, we tested MSDH's compliance with the 5 percent limit on administrative expenses. We compared the total administrative expenditures reported with the expenditures recorded in the general ledger and determined that MSDH was in compliance with the 5 percent limit.

In addition to testing MSDH's compliance with the 5 percent administrative allowance, we also judgmentally selected samples of MSDH administrative transactions to determine if those were supported, allowable, and properly allocated. The state administrative costs we tested included: (1) personnel,

(2) fringe benefits, (3) travel, (4) equipment and supplies, (5) membership dues, (6) indirect costs, and (7) purchases that consisted of service related expenses. The sampled transactions were funded by the FY 2015 VOCA assistance grant because MSDH had not charged administrative expenses to the FY 2014 or FY 2016 grants at the time of our testing.

For salary and fringe benefits testing, we judgmentally selected payroll associated with 6 MSDH employees for a total of 12 transactions from nonconsecutive pay periods. For these transactions, we were generally able to reconcile, with minor discrepancies, the timekeeping system records to the amounts recorded as charged in the centralized payroll system and to the general ledger for the FY 2015 grant.

For other state administrative costs, we tested a total of 17 transactions with a value of \$16,004 charged to the FY 2015 grant. We tested the transactions to verify that the expenses were accurately recorded, supported, and allowable. We found no significant discrepancies in the payroll or other administrative expenses we tested. Consequently, we have no recommendations related to administrative expenses of MSDH.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs. The grantee should time drawdown requests to ensure that the federal cash-on-hand is the minimum needed for disbursements or reimbursements made within 10 days. VOCA grant funds are available for the fiscal year of the award plus 3 additional fiscal years. Grant recipients have 90 days after the end of the grant award period to draw down grant funds for costs obligated during the grant award period.

To assess whether MSDH managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in MSDH's accounting system and accompanying financial records.

According to MSDH officials, for the VOCA victim assistance awards, MSDH draws down grant funds on a reimbursement basis and calculates drawdown amounts sufficient to cover subrecipient reimbursement requests and state administration based on a weekly report of expenditures recorded in its accounting system. Table 3 shows the total amounts drawn down for each grant as of April 2018.

Table 3
Amount Drawn Down for Each Grant as of April 2018

Award Number	Total Award	Amount Drawn Down	Amount Remaining	Grant End Date
2014-VA-GX-4054	\$282,763	\$277,107	\$5,656	9/30/2017
2015-VA-GX-4038	\$18,418,789	\$11,454,393	\$6,964,396	9/30/2018
2016-VA-GX-0024	\$20,665,359	\$6,154,118	\$14,511,241	9/30/2019
Total:	\$39,366,911	\$17,885,618	\$21,481,293	

Source: OJP Grant Payment History

As of April 5, 2018, MSDH had drawn down a total of \$17,885,618 for the three grants reviewed. We analyzed all drawdowns from the period of August 2, 2016, through April 5, 2018, by comparing the amounts and dates of the drawdowns to MSDH accounting records. Drawdowns for the FY 2014 and FY 2015 grants were proper. However, for 12 drawdown requests we tested for the FY 2016 grant, 11 drawdowns were either over or understated. As of March 21, 2018, drawdowns for the FY 2016 grant were \$6,154,118 and total expenditures as of March 30, 2018, were \$5,970,983, resulting in total drawdowns exceeding total expenditures by \$183,135. We question as unsupported the \$183,135 in excess drawdowns and recommend that OJP remedy that amount for grant number 2016-VA-GX-0024.

MSDH has general drawdown procedures for federal awards but does not have specific written drawdown procedures for the VOCA awards. We asked MSDH officials how they determined the amounts drawn. The officials said that drawdowns are based on expenditures recorded in the accounting system and are on a reimbursement basis. The officials also said that during the year preceding August 2017, MSDH's Financial Department experienced unusual turnover in employees who work with DOJ grant funding. This resulted in several positions being refilled and some delays in providing adequate training for replacement staff. The lack of drawdown procedures for the VOCA awards may have contributed to the errors made in drawdowns by the newly hired staff. We recommend that OJP ensure that MSDH develops and implements written drawdown procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the total cost of each subaward, except for certain exceptions. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding sources to help ensure future sustainability. Although subrecipients must derive required matching contributions from non-federal or non-VOCA sources, subrecipients can provide either cash or an

in-kind match to meet matching requirements.⁶ 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 MSDH subaward solicitation required that matching contributions must be allowable under the VOCA program and be subject to the same requirements and conditions as the federal VOCA funds. MSDH allows applicants for subawards to request full or partial match waivers. If approved by MSDH, the match waiver request is forwarded to the OVC for final approval. Match waiver requests are considered by MSDH on a case by case basis and must be accompanied by sufficient justification presenting a compelling reason for the waiver. MSDH identified factors that may be considered in approving a waiver in its solicitations for potential subrecipients. Factors include annual budget changes, past ability to provide match, use of volunteers, and the potential hardship to the applicant if required to provide full match.

To review the provision of matching funds, we selected all of the eight subawards distributed by MSDH from the FY 2014 federal grant. The VOCA Guidelines require the match based on the total cost of the subgrant and do not require that the match be provided evenly over the life of the subgrant. Therefore, we reviewed the match for the FY 2014 grant because it was the only federal grant that would be completed during our audit. We reviewed the subrecipient-reported contribution. We found that all eight subrecipients met the 20 percent match requirement and that the documentation submitted by the subrecipients supported the reported match contributions.

Financial Reporting

According to the Financial Guides, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each Federal Financial Report (FFR) as well as cumulative expenditures. To determine whether MSDH submitted accurate FFRs, we compared the four most recent reports for the FY 2014, FY 2015, and FY 2016 grants to MSDH's accounting records.

⁶ 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.

Table 4
Accuracy of MSDH's Federal Financial Reports

Report No.	Reporting Period	Expenditures Per FFR	Expenditures Per Accounting Records	Overstated or Understated Expenditures Reported
2014-VA-GX-4054				
13	10/1/16 -12/31/16	\$0	\$0	\$0
14	1/1/17 - 3/31/17	\$0	\$0	\$0
15	4/1/17 - 6/30/17	\$11,626	\$11,626	\$0
16	7/1/17 - 9/30/17	\$265,480	\$265,480	\$0
	Total	\$277,107	\$277,107	\$0
2015-VA-GX-4038				
11	4/1/17 - 6/30/17	\$3,217,273	\$3,315,261	(\$97,988)
12	7/1/17 - 9/30/17	\$2,719,611	\$2,389,470	\$330,141
13	10/1/17 - 12/31/17	\$99,992	\$341,901	(\$241,909)
14	1/1/18 – 3/31/18	\$484,043	\$504,610	(\$20,567)
	Total	\$6,520,919	6,551,242	\$(30,323)
2016-VA-GX-0024				
7	4/1/17 - 6/30/17	\$0	\$0	\$0
8	7/1/17 - 9/30/17	\$495,210	\$495,210	\$0
9	10/1/17 - 12/31/17	\$2,609,540	\$2,609,540	\$0
10	1/1/18 – 3/31/18	\$2,866,232	\$2,866,232	\$0
	Total	\$5,970,983	\$5,970,983	\$0

Source: OIG Analysis of MSDH Accounting Records

For the FY 2014 and FY 2016 grants, the FFRs matched the accounting records. However, none of the reports for the FY 2015 grant matched the accounting records. Three of the four reports were understated, while the fourth report was overstated. An MSDH official told us that these differences occurred because administrative and indirect expenditures were not obtained from the grant general ledger. Due to timing issues in the posting of related journal entries, the data is unavailable from the general ledger at the time the FFR is prepared. Consequently, a manual calculation is performed to determine administrative and indirect expenditures and the calculated amount is included in the FFR-reported expenditures. The calculated expenditures were inaccurate for the FY 2015 grant because of this timing issue. These problems affect only the FY 2015 grant because at the time of the reports' submission only the FY 2015 grant included administrative costs. At the time of our audit, MSDH procedures were not adequate to accurately complete its FFR. Inaccurate reporting prevents OJP from understanding the full scope of MSDH's grant activities. We recommend that OJP ensure that MSDH establishes and implements procedures to make sure that its FFRs are accurate.

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. According to the VOCA Guidelines, state administering agencies must conduct regular desk monitoring of all subrecipients. In addition, state administering agencies must conduct on-site monitoring of all subrecipients at least once every 2 years during the award period, unless a different frequency based on risk assessment is set out in the monitoring plan. As the primary grant recipient, MSDH must develop policies and procedures to monitor subrecipients. To assess how MSDH monitored its VOCA subrecipients, we obtained and reviewed the MSDH Monitoring policy and procedures, interviewed MSDH personnel, identified MSDH monitoring procedures, and obtained records of interactions between MSDH and its subrecipients. We also conducted site visits of four subrecipients, which included interviewing personnel, touring facilities, and reviewing accounting and performance records. We also observed the four subrecipients' facilities for victim services, including safe houses, shelters, clinics, and advocacy centers, to confirm their existence and function.

According to MSDH's policies and procedures, a desk review should be performed on each subgrant at least once during the period of performance. In addition, an on-site review should be conducted at least once during the period of performance. The VOCA Guidelines require SAAs to develop and implement monitoring plans based on a default of regular desk monitoring and biennial on-site monitoring of all subawards. As of March 2018, the MSDH Subgrantee Manual had not been updated subsequent to adoption of the new VOCA Guidelines in August 2016. MSDH officials told us that beginning in late 2017 MSDH began performing on-site reviews annually to close a deficit in reviews performed since 2016. On-site monitoring reviews include a review of internal controls to determine if the financial management and the accounting system are adequate to account for program funds in accordance with state and federal requirements. Monitoring should identify areas of non-compliance with the expectation that corrective action will be taken to ensure compliance. The monitor reviews subrecipient files to ensure that direct care services are being provided directly to the clients served, clients are given access to all program services, information about the clients is maintained in a confidential and organized manner, and that MSDH staff have a clear understanding of how clients transition through the program from entry to exit. From information obtained in MSDH's monitoring procedures and practices, we compared the required monitoring activities to the actual monitoring activities conducted by MSDH and determined that MSDH is performing financial monitoring as required by the grant conditions.

We obtained a list of monitoring activities completed as of May 2018 in MSDH's 2-year required cycle. We assessed whether MSDH complied with its own requirements for the frequency of monitoring activities. As of May 16, 2018, MSDH had completed 14 out of 57 planned site visits for the FY 2015 and FY 2016 subgrants. MSDH did not perform any site visits related to the eight FY 2014 subgrants. As discussed earlier, MSDH experienced a turnover in employees who

work with DOJ grant funding and have not yet filled the positions. This has resulted in delays in conducting site visits. MSDH planned to use contractors to conduct an additional 43 site visits by June 30, 2018.

We found that MSDH had performed subrecipient monitoring on a limited basis and had not yet fully met either its own monitoring requirements or the VOCA Guideline requirement for on-site monitoring of all subrecipients at least once every 2 years. However, in March 2018, the MSDH Program Manager told us that MSDH had increased its monitoring effort and had a schedule to complete all required on-site reviews within the 2-year period. Considering the remaining time available to complete the monitoring visits, we believe that MSDH is positioned to meet the monitoring requirements. We discussed with MSDH officials the results of their monitoring efforts and those officials told us that they have thus far identified no deficiencies among the subrecipients reviewed. Given the pace of on-site monitoring and the lack of any problems identified, we cannot conclude that the state monitoring process provides a reasonable assurance that subrecipients comply with the terms and conditions of the VOCA requirements. However, we make no recommendation because of the progress displayed by MSDH's current monitoring efforts.

Financial Monitoring

The MSDH requires subrecipients to submit monthly reimbursement requests and supporting documentation. MSDH program specialists review the requests and the supporting documentation for accuracy and allowability. If any errors are detected, the specialists contact the subrecipient directly to resolve the error prior to forwarding the request to the Program Manager and the Director of the Office Against Interpersonal Violence for approval. Once approved, the request is sent to the MSDH Finance and Accounting Division for data entry and payment.

We reviewed the supporting documentation for expenditures and the specialist's review of reimbursement requests as a part of our transaction testing described in the Grant Financial Management section of this report. We determined that monitoring activities were in compliance with MSDH's policy and that program managers and the director were making the required approvals.

As the state administering agency, MSDH is responsible for ensuring organizations that expended an amount that equaled or exceeded the threshold in federal funds had a single audit completed and took appropriate and timely action on any findings. MSDH performs a risk analysis and reviews subrecipient single audits as part of the subgrantee application process. We reviewed the risk analysis for the four subrecipients identified and included in our subrecipient monitoring site reviews. Of the four subrecipients reviewed, only two organizations were required to obtain single audits. We found that both of the organizations had obtained single audits and our review of those audit results showed that neither organization had any required corrective actions.

From information obtained in the MSDH's monitoring procedures and practices, we determined that MSDH was performing financial monitoring as

required by the grant conditions. We found that the MSDH could improve financial oversight tasks in certain areas. As discussed in the Subaward Expenditures section of this report, we found most of the tested subrecipient expenditures to be supported and allowable. However, we identified questioned costs for one unallowable expenditure. Consequently, we recommend that OJP ensure that MSDH monitors subrecipient charges more closely to confirm that only allowable activities are charged to the VOCA grants.

Performance Monitoring

The MSDH monitoring procedures require subrecipients to submit quarterly performance reporting data in OJP's Performance Management Tool (PMT). MSDH staff review the PMT performance data for accuracy and verify the data to the subrecipients' supporting documentation. MSDH then uses the verified data to produce the State Annual Performance Report.

We tested the reported number of victims served during the period of April through June of 2017 for five subrecipients by tracing the reported number of victims served to source documents maintained by MSDH and the subrecipients. We found that the reported number of victims was fully supported for all five subrecipients tested.

CONCLUSION AND RECOMMENDATIONS

We found MSDH used its grant funds to enhance services for crime victims in Mississippi. We did not identify significant issues regarding MSDH's grant management practices for subawarding victims assistance funds. We determined that MSDH needs to improve areas of its grant management of VOCA grants. MSDH established sufficient written policies and procedures governing requisitioning, procurement, payment, and general operation, and implemented policies, processes, and systems to adequately account for grant funds. However, we found that MSDH did not comply with essential award conditions related to program requirements and performance reporting, and grant financial management. Subaward amounts reported in PMT did not reflect the actual subaward amounts reflected in the subaward agreements. Financial management practices resulted in excess drawdowns. Financial reporting practices resulted in inaccurate Federal Financial Reports. In other areas we tested, we found issues that were primarily driven by a lack of supporting documentation, written procedures, or accurate recordkeeping. We found \$30,642 in unallowable costs and \$7,489 in unsupported costs related to subaward reimbursements as well as \$183,135 in unsupported excess drawdowns and \$5,656 in funds not drawn down. We identify \$219,433 in total dollar related findings and make nine recommendations to address the noted deficiencies.

We recommend that OJP:

1. Remedy \$5,656 in funds to be put to better use for grant 2014-VA-GX-4054.
2. Ensure that MSDH establish and implement procedures to validate the subgrant award data entered into PMT.
3. Ensure that MSDH establishes and implements procedures to accurately complete the required Subgrant Award Report.
4. Remedy the \$30,642 in unallowable questioned costs for grant number 2015-VA-GX-4038 that were used for expressly unallowable capital improvement and construction expenses.
5. Remedy the \$7,849 in unsupported questioned costs that were used for construction for grant number 2015-VA-GX-4038 for which the grantee could not produce adequate documentation.
6. Remedy the \$183,135 in unsupported excess drawdowns for grant number 2016-VA-GX-0024.
7. Ensure that the MSDH develops and implements written drawdown procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.
8. Ensure that MSDH establishes and implements procedures to make sure that its FFRs are accurate.

9. Ensure that the MSDH monitors subrecipient charges more closely to confirm that only allowable activities are charged to the VOCA grants.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the Mississippi State Department of Health (MSDH) designed and implemented its crime victim assistance program. 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.

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of *Victims of Crime Act* (VOCA) victim assistance formula grants 2014-VA-GX-4054, 2015-VA-GX-4038, and 2016-VA-GX-0024 to MSDH. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$39,366,911 to MSDH, which serves as the state administering agency. Each of the awards in our scope has a 4-year period of performance. Our audit concentrated on, but was not limited to, the period of August 2016 through April 2018. As of April 2018, MSDH had drawn down a total of \$17,885,618 from the three audited grants.

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

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

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

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:⁷		
Unallowable Costs		
Unallowable Capital Improvement and Construction Costs – 2015-VA-GX-4038	\$30,642	12
Unsupported Costs		
Unsupported Construction Costs – 2015-VA-GX-4038	\$7,849	12
Excess Drawdown - 2016-VA-GX-0024	\$183,135	14
<i>Gross Questioned Costs</i>	<i>\$221,626</i>	
Less Duplicate Questioned Costs ⁸	<u><i>(\$7,849)</i></u>	
Net Questioned Costs	<u>\$213,777</u>	
 Funds to be put to Better Use:		
Grant Funds not Used – 2014-VA-GX-4054	\$5,656	5
Total Funds to be put to Better Use	<u>\$5,656</u>	
 TOTAL DOLLAR-RELATED FINDINGS	 <u>\$219,433</u>	

⁷ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

⁸ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$7,849 in construction costs that were both unallowable and unsupported.

OFFICE OF JUSTICE PROGRAMS RESPONSE
TO THE DRAFT AUDIT REPORT⁹



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

AUG - 6 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, Victim Assistance Formula Grants Awarded to the Mississippi State Department of Health, Jackson, Mississippi*

This memorandum is in reference to your correspondence, dated July 11, 2018, transmitting the above-referenced draft audit report for the Mississippi State Department of Health (MSDH). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **nine** recommendations, **\$213,777¹** in net questioned costs, and \$5,656 in funds to be 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 \$5,656 in funds to be put to better use for Grant Number 2014-VA-GX-4054.**

OJP agrees with this recommendation. On July 25, 2018, OJP's Office of the Chief Financial Officer, de-obligated the remaining funds, in the amount of \$5,656, for Grant Number 2014-VA-GX-4054 (see Attachment). Accordingly, the Office of Justice Programs requests closure of this recommendation.

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

⁹ Attachments to this response were not included in this final report.

- 2. We recommend that OJP ensure that MSDH establish and implement procedures to validate the subgrant award data entered into PMT.**

OJP agrees with this recommendation. We will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that subgrant award data entered into the Performance Measurement Tool is validated.

- 3. We recommend that OJP ensure that MSDH establishes and implements procedures to accurately complete the required Subgrant Award Report.**

OJP agrees with this recommendation. We will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that the annual Subgrant Award Report is completed in an accurate and timely manner.

- 4. We recommend that OJP remedy the \$30,642 in unallowable questioned costs for Grant Number 2015-VA-GX-4038 that were used for expressly unallowable capital improvement and construction expenses.**

OJP agrees with this recommendation. We will review the \$30,642 in questioned costs, related to unallowable capital improvement and construction expenses, charged to Grant Number 2015-VA-GX-4038, and will work with MSDH to remedy, as appropriate.

- 5. We recommend that OJP remedy the \$7,849 in unsupported questioned costs that were used for construction for Grant Number 2015-VA-GX-4038 for which the grantee could not produce adequate documentation.**

OJP agrees with this recommendation. We will review the \$7,849 in questioned costs, related to unsupported construction expenses, charged to Grant Number 2015-VA-GX-4038, and will work with MSDH to remedy, as appropriate.

- 6. We recommend that OJP remedy the \$183,135 in unsupported excess drawdowns for Grant Number 2016-VA-CX-0024.**

OJP agrees with this recommendation. We will review the \$183,135 in questioned costs, related to unsupported excess drawdowns under Grant Number 2016-VA-GX-0024, and will work with MSDH to remedy, as appropriate.

- 7. We recommend that OJP ensure that MSDH develops and implements written drawdown procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.**

OJP agrees with this recommendation. We will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal cash-on-hand is limited to the amounts needed for disbursements to be made within 10 days of drawdown.

8. **We recommend that OJP ensure that MSDH establishes and implements procedures to make sure that its FFRs are accurate.**

OJP agrees with this recommendation. We will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal Financial Reports are submitted in an accurate and timely manner.

9. **We recommend that OJP ensure that MSDH monitors subrecipient charges more closely to confirm that only allowable activities are charged to the VOCA grants.**

OJP agrees with this recommendation. We will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that only allowable activities are charged to the VOCA grants by subrecipients.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

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OJP Executive Secretariat
Control Number IT20180716085838

THE MISSISSIPPI STATE DEPARTMENT OF HEALTH
RESPONSE TO THE DRAFT AUDIT REPORT



MISSISSIPPI STATE DEPARTMENT OF HEALTH

July 27, 2018

Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
75 Ted Turner Drive Southwest, Suite 1130
Atlanta, Georgia 30303

Re: OIG Draft Audit Report

Dear Mr. Polk:

Thank you for providing the Mississippi State Department of Health (MSDH) with a copy of the Draft Audit Report prepared by your office. We have reviewed the report and have prepared the following comments:

Recommendation 1. Remedy \$5,656 in funds to be put to better use for grant 2014-VA-GX-4054.

Response: MSDH agrees that an unobligated balance of \$5,656 remained in 2014-VA-GX-4054 and it should be returned to OJP and put to better use. As noted in the Draft Audit Report, MSDH was awarded 2014-VA-GX-4054 (for a total of \$282,763) with less than one (1) year remaining. MSDH made good faith efforts to issue sub-awards to utilize this funding. However, sub-grantees were unable to expend this amount due to the short period of time.

Recommendation 2. Ensure that MSDH establish and implement procedures to validate the sub-grant award data entered into PMT.

*Response: MSDH acknowledges discrepancies noted in the Draft Audit Report with regard to sub-grant award data entered into the PMT. MSDH is taking steps to remedy this concern in several ways. **First**, additional training for sub-grantees will be implemented regarding the entry of the SAR information into the PMT. This will take place either at sub-grantee orientation meetings or via mandatory webinars to be held throughout the course of each grant year. **Second**, MSDH/OAIV Internal policies will be revised to provide greater direction to VOCA staff of responsibilities related to SAR entry and verification of amounts. Procedures will be implemented to ensure that any modifications (upwards or downwards) of sub-grant awards are properly reflected in the PMT. VOCA staff at MSDH will be provided with additional training on responsibilities related to the PMT.*

Recommendation 3. Ensure that MSDH establishes and implements procedures to accurately complete the required Sub-grant Award Report.

Response: Please see Response to Recommendation 2.

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Recommendation 4. Remedy the \$30,642 in unallowable questioned costs for grant number 2015-VA-GX-4038 that were used for expressly unallowable capital improvement and construction expenses.

Response: OIG questions “\$30,642 for cost associated with construction of an office and bedroom space for a domestic violence shelter and capital improvements related to computer network equipment...”

*With regard to the construction question, MSDH disagrees that it paid for any activities in the nature of construction, but rather reimbursed a sub-grantee for expenses related to necessary renovations to improve the program’s ability to provide services to victims in accordance with VOCA provisions. Specifically, the VOCA Final Rule permits the following expenditures: “required minor building adaptations necessary to meet the Department of Justice standards implementing the Americans with Disabilities Act **and/or** modifications that would improve the program’s ability to provide services to victims.” [emphasis added]. 28 C.F.R. 94.121(d).*

In reviewing the request by the sub-grantee in question, MSDH considered the purpose of the building adaptations being made. While not necessary to comply with the ADA, the minor renovations to the building, which included the building-out of an internal wall to enable the organization to better serve the children of domestic violence victims who are residing in shelter, were necessary to improve the program’s ability to serve those victims. The expenses were not out of line with normal costs related to simple renovations of this nature and were found by MSDH to be within the limitations imposed by VOCA provisions stated above, as being necessary to ensure provision of services to the children residing in shelter with their abused parent. The expenses were supported by appropriate documentation (invoices and cancelled checks). Little to no guidance is provided by either the 2015 DOJ Grants Financial Guide or OMB Uniform Guidance as to the definition of “minor” with regard to building adaptations. VOCA staff, therefore, made its own interpretation of this phrase and allowed the expenditure as a minor renovation.

*With regard to the assertion that certain expense related to computer network equipment constituted impermissible capital improvements, MSDH disagrees that expenditure of equipment (networking switches) constitute capital improvements. MSDH’s first point of contention is that not only does the VOCA final rule permit expenditures for automated systems and technology (28 C.F.R. 94.120(e)), but also other administrative expenses which may include costs of websites, social media and mobile devices. (28 C.F.R. 94.121). Clearly, maintenance of an internal computer network within an agency is a necessary function not only of doing business, but also of providing services to victims, ensuring staff can not only communicate with each other, but can share relevant and pertinent data about clients in a secure fashion. These are permissible expenditures. MSDH’s second point of contention is OMB defines the term capital expenditures as “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that **materially increase their value or useful life.**” 200.13. [emphasis added]. The addition of a networking switch cannot be said to materially increase the value of a capital asset, the shelter structure and offices.*

Additionally, to be clear, MSDH also disagrees with any assertion that the aforementioned renovations constitute capital improvements. The addition of one (1) wall, without any change to the overall square footage of the structure, would be unlikely to materially increase the value of the structure. Furthermore, as the renovations to improve the capacity of the shelter to serve children were necessary and essential, they should not be considered an unallowable capital improvement. To allow renovations for

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appropriate purposes, but then disallow those same renovations as capital improvements defeats the VOCA purpose of allowing minor renovations.

Recommendation 5. Remedy the \$7,849 in unsupported questioned costs that were used for construction for grant number 2015-VA-GX-4038 for which the grantee could not produce adequate documentation.

Response: MSDH disagrees that the questioned costs were for construction or capital improvements (see response to Recommendation 4 above). MSDH requires invoices and proof of payment for ANY expenditure by a sub-grantee. Nor did the expenditures meet the threshold for requiring the sub-grantee to solicit quotes or put the project out for competitive bids. MSDH is unable to determine precisely which of the costs approved is being questioned as being unsupported, however, MSDH asserts that no payments were made and expenditures charged to VOCA without proper supporting documentation.

Recommendation 6. Remedy the \$183,135 in unsupported excess drawdowns for grant number 2016-VA-GX-0024.

Response: MSDH acknowledges draws for grant 2016-VA-GX-0024 were more than the expenditures supported by the accounting system. This was the result of an incorrect filter being used in the expenditure report generated from the accounting system (MAGIC) and drawing an amount from the wrong grant in the OJP system. In the spring of 2018 Grants Management staff reviewed the report used by Revenue staff to ensure it contains the correct filters. Also, corrections were made to address the draws made from the incorrect account in OJP. Excess cash based on the quarter ending 3/31/2018 FFR in the amount of \$183,135.06 was returned to OJP in June 2018. As of 7/24/2018 the drawdowns agree with the actual expenditures in the accounting system.

Recommendation 7. Ensure that the MSDH develops and implements written drawdown procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.

Response: MSDH acknowledges there were issues with timeliness of federal draws. This has been addressed and procedures were put in place during the spring of 2018 to draw funds at least on a weekly basis when expenditures are processed in the accounting system. Draws are prepared based on an expenditure report generated from the accounting system (MAGIC). This report reflects the actual expenditures that have paid from each federal grant.

Recommendation 8. Ensure that MSDH establishes and implements procedures to make sure that its FFRs are accurate.

Response: MSDH acknowledges the difference between the expenditures reported on the FFR and the general ledger were due to how we report indirect cost/administrative expenses on the FFR. We implemented new procedures in the spring of 2018 to ensure that only actual expenditures are shown and any unrecorded indirect cost/administrative expenses for the period are reflected as unliquidated obligations.

Recommendation 9. Ensure that the MSDH monitors sub-recipient charges more closely to confirm that only allowable activities are charged to the VOCA grants.

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Response: MSDH conducts monitoring and review of sub-recipient charges on a monthly basis, when reimbursement requests are received from sub-grantees, as well as during the course of desk and site visit monitoring. MSDH staff will continue to be vigilant regarding charging of costs to VOCA grants and will continue to provide technical assistance to sub-grantees to ensure they are not incurring unallowable costs.

Thank you for the opportunity to comment on the Draft Audit Report. We have provided a copy of our response and comment to OJP as well.

Sincerely,



Mary Currier, MD, MPH
State Health Officer



Christy Ainsworth, L.C.S.W., Director
Office Against Interpersonal Violence

**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 Mississippi State Department of Health (MSDH). OJP's response is incorporated as Appendix 3 of this final report, and the MSDH response is incorporated as Appendix 4. OJP agreed with each recommendation contained in this report and discussed the actions it plans to complete to address the recommendations. As a result, the report is resolved. MSDH agreed with recommendation 1. It did not agree or disagree with the other recommendations but provided comments concerning unallowable and unsupported costs, as discussed below. As part of its response, OJP provided documentation that we did not include in this report. The following provides the OIG analysis of the responses and summary and actions necessary to close the report.

Recommendations:

- 1. We recommend that OJP remedy \$5,656 in funds to be put to better use for grant 2014-VA-GX-4054.**

Closed. This recommendation is closed. OJP concurred with this recommendation, deobligated the funds not drawn down, and provided documentation demonstrating that the funds had been deobligated.

MSDH agreed with our recommendation and stated in its response that the unobligated balance of \$5,656 should be returned to OJP and put to better use.

Based on the documentation provided, this recommendation is closed.

- 2. We recommend that OJP ensure that MSDH establish and implement procedures to validate the subgrant award data entered into PMT.**

Resolved. OJP concurred with this recommendation and stated in its response that it will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that subgrant award data entered into the Performance Measurement Tool (PMT) is validated.

MSDH did not agree or disagree with this recommendation but acknowledged discrepancies in the subgrant award data entered into the PMT and stated in its response that it will:

- implement training for subgrantees regarding entry of Subgrant Award Report (SAR) information into PMT,

- revise internal policies to provide greater direction to *Victims of Crime Act* (VOCA) staff of responsibilities related to SAR entry and verification, and
- implement procedures to ensure that any modifications of subgrant awards are properly reflected in PMT.

This recommendation can be closed when we receive documentation that shows that MSDH has established and implemented procedures to validate the subgrant award data entered into PMT.

3. We recommend that OJP ensure that MSDH establishes and implements procedures to accurately complete the required Subgrant Award Report.

Resolved. OJP concurred with this recommendation and stated in its response that it will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that the annual SAR is completed in an accurate and timely manner.

MSDH did not agree or disagree with this recommendation but acknowledged discrepancies in the subgrant award data entered into PMT and stated in its response that it will:

- implement training for subgrantees regarding entry of SAR information into PMT,
- revise internal policies to provide greater direction to VOCA staff of responsibilities related to SAR entry and verification, and
- implement procedures to ensure that any modifications of subgrant awards are properly reflected in PMT.

This recommendation can be closed when we receive documentation that shows that MSDH has established and implemented procedures to accurately complete the required SAR.

4. We recommend that OJP remedy the \$30,642 in unallowable questioned costs for grant number 2015-VA-GX-4038 that were used for expressly unallowable capital improvement and construction expenses.

Resolved. OJP concurred with this recommendation and stated in its response that it will review the \$30,642 in questioned costs charged to grant number 2015-VA-GX-4038, and will work with MSDH to remedy the costs as appropriate.

MSDH did not agree or disagree with this recommendation but disagreed that the costs in question pertained to construction or impermissible capital improvements. Regarding the construction costs, MSDH stated that it

reimbursed a subgrantee for expenses related to necessary “minor renovations” to improve the program’s ability to provide services to victims. MSDH stated that the expenses met the requirements of the VOCA Final Rule, which permits expenditures for “minor building adaptations ... or modifications that would improve the program’s ability to provide services to victims.” MSDH stated that the minor renovations included building an internal wall and that the expenses were not out of line with normal costs related to simple renovations of this nature.

We disagree with MSDH’s assessment of the costs as covering “minor renovations.” While the VOCA Final Rule leaves some room for interpretation of the term “minor,” based on our review of the invoices, we believe this construction project constituted more than just minor building renovations.¹⁰ We found four invoices for a single contractor that identified the construction work as “framing, mudding, dry walling, etc. offices and bedrooms” and “priming and painting offices and bedrooms” for a total of \$14,315.19 over a period of about three weeks. Based on the description provided in the invoices, the funded work appears to consist of more than a single internal wall. We found additional reimbursement request items for various construction materials and related labor in the same timeframe for an additional \$11,777.06 for building supplies. These invoices also indicated a larger project. One invoice referred to work done in a “telecommunications room,” and additional work done in “the common room” and described the relocation of 16 florescent light fixtures and the installation of 26 electrical receptacles and 7 switches. The invoice further stated that the “price reflects one receptacle per wall in all rooms, one switch per room.” Another invoice was for moving alarm system equipment and related wiring “in the middle of construction” and projected additional work would be necessary “once the drop ceiling is finished.” These invoices and the indications on these invoices that other related work was being done support our conclusion that this construction work was more than minor building adaptations.

In addition, we found an invoice for the purchase and installation of a server and network switch during the same timeframe for \$4,549.86. Based on references in invoices for electrical work that identify a “telecommunications room” included as a part of the project, we considered the installation of the server as a part of the overall capital improvement project. In response to our assertion that the server was an impermissible capital improvement, MSDH considered the computer equipment separately from the construction project and stated that the VOCA final rule permits expenditures for automated systems and technology.

While we agree with MSDH that the final rule allows for automated systems and technology expenditures, such expenditures are subject to the provisions of the Department of Justice (DOJ) Grants Financial Guide. Section 3.6 of the DOJ Grants Financial Guide requires award recipients to obtain prior

¹⁰ We understand that OJP is currently working on providing additional guidance as to what is and is not allowed under the VOCA Final Rule.

written approval for data processing equipment and software costs. MSDH did not provide any support for such prior authorization. Thus, we believe that even if the server purchase is considered separately from the overall capital improvement project, the costs would be unallowable without specific written prior authorization.

This recommendation can be closed when we receive documentation showing that the \$30,642 in unallowable questioned costs have been remedied.

5. **We recommend that OJP remedy the \$7,849 in unsupported questioned costs that were used for construction for grant number 2015-VA-GX-4038 for which the grantee could not produce adequate documentation.**

Resolved. OJP concurred with this recommendation and stated in its response that it will review the \$7,849 in questioned costs, related to unsupported construction expenses, charged to grant number 2015-VA-GX-4038, and will work with MSDH to remedy the costs as appropriate.

MSDH did not agree or disagree with this recommendation but stated that it requires invoices and proof of payment for expenditures by a subgrantee. MSDH asserted that no payments were made or expenditures charged to VOCA without proper supporting documentation. We reviewed the supporting documentation provided during our audit for the construction costs we identified. We identified four payments that were not supported by the documentation provided. We identified two payments to one supplier for a total of \$2,918.50 that were supported only by cancelled checks and the statement balance from the summary page of the vendor's credit account. The documentation did not include an invoice for the specific purchase or the pages from the statement that would have identified the items purchased. We also identified two payments to suppliers for \$2,300 and \$2,630 respectively, which were supported only by cancelled checks accompanied by invoices that were too illegible to read. Consequently, we questioned these costs as unsupported.

This recommendation can be closed when we receive documentation showing that the \$7,849 in unsupported questioned costs have been remedied.

6. **We recommend that OJP remedy the \$183,135 in unsupported excess drawdowns for grant number 2016-VA-GX-0024.**

Resolved. OJP concurred with this recommendation and stated in its response that it will review the \$183,135 in questioned costs, related to unsupported excess drawdowns under grant number 2016-VA-GX-0024, and will work with MSDH to remedy the costs as appropriate.

MSDH did not agree or disagree with this recommendation but acknowledged that drawdowns exceeded the expenditures supported by the accounting

system and stated in its response that the excess drawdowns were the result of an error in the expenditure report generated from its accounting system. MSDH also stated that the error has been remedied and corrections were made to address the draws made from the incorrect account. MSDH also stated that the excess cash was returned to OJP in June 2018. However, MSDH did not provide any documentation in support of the return of excess cash to OJP and, in its response, OJP did not reference the return of excess cash.

This recommendation can be closed when we receive documentation that shows the return of the excess draw to OJP in the amount of \$185,135 or other documentation showing that the questioned costs have been remedied.

- 7. We recommend that OJP ensure that the MSDH develops and implements written drawdown procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.**

Resolved. OJP concurred with this recommendation and stated in its response that it will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal cash-on-hand is limited to the amounts needed for disbursements to be made within 10 days of drawdown.

MSDH did not agree or disagree with this recommendation but acknowledged that there were issues with timeliness of federal draws and stated in its response that it has addressed the issue. MSDH stated that procedures were put in place during the spring of 2018 to draw funds at least on a weekly basis when expenditures are processed in the accounting system to reflect the actual expenditures for each federal grant.

This recommendation can be closed when we receive documentation that shows that MSDH has established and implemented written procedures to ensure that VOCA cash-on-hand is the minimum needed for disbursements to be made within 10 days.

- 8. We recommend that OJP ensure that MSDH establishes and implements procedures to make sure that its FFRs are accurate.**

Resolved. OJP concurred with this recommendation and stated in its response that it will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal Financial Reports (FFR) are submitted in an accurate and timely manner.

MSDH did not agree or disagree with this recommendation but acknowledged that the difference between the expenditures reported on the FFR and the general ledger were because of how it reports indirect cost and administrative expenses on the FFR. MSDH stated in its response that it had implemented new procedures in the spring of 2018 to ensure that only actual

expenditures are shown on the FFR and any unrecorded indirect cost or administrative expenses for the period are reflected as unliquidated obligations.

This recommendation can be closed when we receive documentation that shows that MSDH has established and implemented procedures to ensure that its FFRs are accurate.

9. We recommend that OJP ensure that the MSDH monitors subrecipient charges more closely to confirm that only allowable activities are charged to the VOCA grants.

Resolved. OJP concurred with this recommendation and stated in its response that it will coordinate with MSDH to obtain a copy of written policies and procedures, developed and implemented, to ensure that only allowable activities are charged to the VOCA grants by subrecipients.

MSDH did not agree or disagree with this recommendation but stated that it conducts monitoring and review of subrecipient charges on a monthly basis and will continue to be vigilant regarding charging of costs to VOCA grants. MSDH also stated that it will continue to provide technical assistance to subrecipients to ensure they are not incurring unallowable costs.

This recommendation can be closed when we receive documentation that shows that MSDH has established and implemented written procedures to ensure that only allowable activities are charged to the VOCA grants by subrecipients.



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