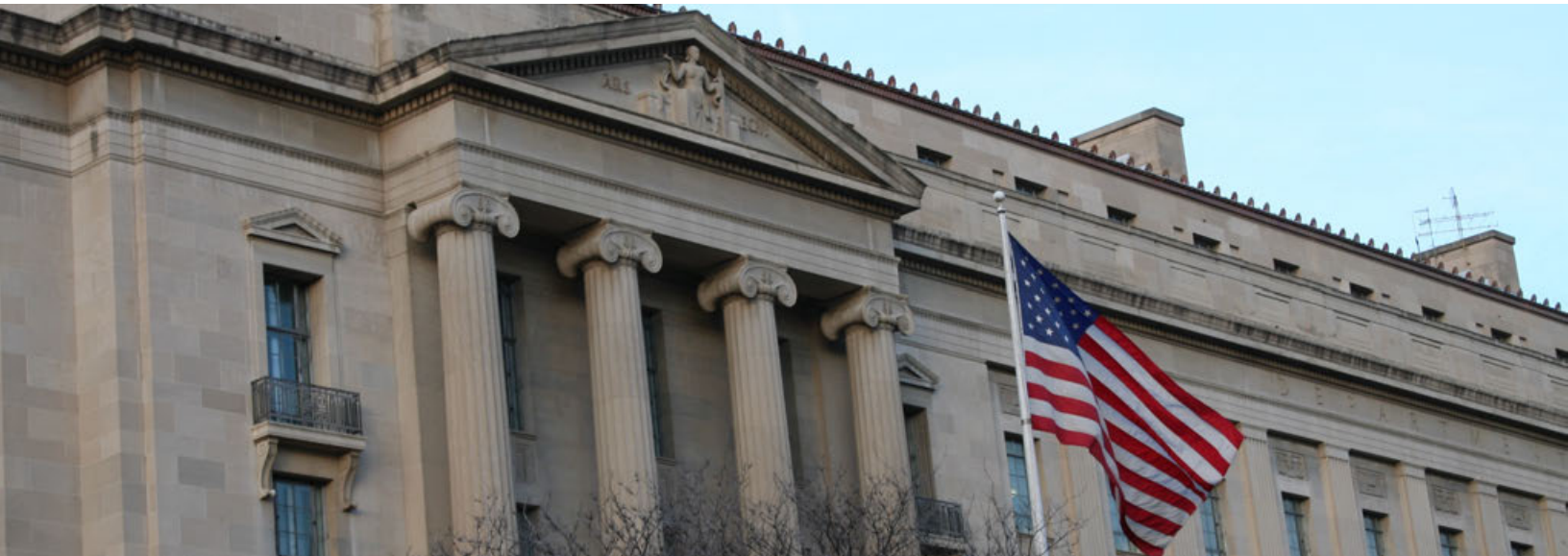




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Justice Programs
Victim Assistance Grants Awarded
to the Tennessee Department of
Finance and Administration,
Nashville, Tennessee**



Executive Summary

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Tennessee Department of Finance and Administration, Nashville, Tennessee

Objective

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

Results in Brief

As a result of our audit, we concluded that the state's Office of Criminal Justice's Programs (OCJP) enhanced its services to crime victims. This audit did not identify significant concerns regarding the state's grant financial management. However, we identified concerns with grant planning and execution, particularly with respect to the OCJP's plans for subaward distribution and the pace of OCJP's program implementation. We found the OCJP generally conducted subrecipient monitoring adequately, although it should improve in this area to ensure compliance with the requirement for allocation of funding to certain priority target areas.

Recommendations

Our report contains two recommendations to assist the state to improve its grant management and administration. We requested a response to our draft audit report from OJP and the state, which can be found in Appendices 3 and 2, respectively. Our analysis of those responses is included as Appendix 4.

Audit Results

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four Victims of Crime Act (VOCA) victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Tennessee Department of Finance and Administration's Office of Criminal Justice Programs (OCJP) in Nashville, Tennessee. The OVC awarded these formula grants, totaling \$131,390,840 from Fiscal Years (FY) 2014 to 2017, from the Crime Victims Fund (CVF) to enhance crime victim services throughout Tennessee. As of October 22, 2018, the state had drawn down a cumulative amount of \$50,441,896 for all of the grants we reviewed.

Program Accomplishments – The OCJP enhanced its crime victim services throughout the state of Tennessee. The OCJP has increased the number of victims receiving services from 37,204 in FY 2014 to 93,199 in FY 2018.

Grant Planning and Execution – The OCJP was able to distribute all available FY 2015 award funding to serve crime victims. However, the allocation plan may not be sustainable for future years. As of December 31, 2018, the OCJP had spent only 22 percent of its FY 2016 award and none of its FY 2017 or FY 2018 awards.

Program Performance – Although the OCJP has increased the number of victims served with VOCA funds since 2014, in recent years, the number of victims served has plateaued. We are concerned that despite significant increases in funding, there may be additional victim needs in the state that are not being identified or targeted by current service providers.

Subrecipient Monitoring – We found the OCJP generally monitored its subrecipients' financial and performance activity adequately. However, the OCJP did not have in its monitoring plan a process to ensure priority target area services were provided by the subrecipients.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS
AWARDED TO THE
TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION,
NASHVILLE, TENNESSEE**

TABLE OF CONTENTS

INTRODUCTION	1
The Grantee	2
OIG Audit Approach	2
AUDIT RESULTS.....	3
Grant Program Planning and Execution	3
Subaward Allocation Plan	3
Subaward Selection Process	8
Subaward Requirements	9
Program Requirements and Performance Reporting	9
Priority Areas Funding Requirement	9
Annual Performance Reports	10
Compliance with Special Conditions.....	11
Grant Financial Management	12
Grant Expenditures	12
Drawdowns	13
Matching Requirement.....	14
Financial Reporting	14
Monitoring of Subrecipients	15
Financial Monitoring	16
Performance Monitoring.....	16
CONCLUSION AND RECOMMENDATIONS.....	17
APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY.....	18

APPENDIX 2: TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION
RESPONSE TO THE DRAFT REPORT 20

APPENDIX 3: OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT
REPORT 25

APPENDIX 4: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF
ACTIONS NECESSARY TO CLOSE THE REPORT 28

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS
AWARDED TO THE
TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION,
NASHVILLE, TENNESSEE**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Tennessee Department of Finance and Administration (the state) in Nashville, Tennessee. 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 2017, these OVC grants totaled \$131,390,840.

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

Award Number	Project Period Start Date	Project Period End Date	Award Amount
2014-VA-GX-0008	10/1/2013	9/30/2017	\$9,198,421
2015-VA-GX-0018	10/1/2014	9/30/2018	39,696,179
2016-VA-GX-0053	10/1/2015	9/30/2019	44,979,475
2017-VA-GX-0051	10/1/2016	9/30/2020	37,516,765
Total:			\$ 131,390,840

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

Source: OJP's Grants Management System

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. The total amount of funds 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).

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

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

\$2.22 billion. Based on the FY 2017 cap set by Congress, the allocation for victim assistance was \$1.84 billion.

VOCA victim assistance grant funds support the provision of direct services – such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter – to victims of crime. The OVC distributes these assistance grants to states and territories, which in turn fund subawards to public and private nonprofit organizations that directly provide the services to victims. Eligible services are efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist primary and secondary victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security.

The Grantee

As Tennessee’s state administering agency, the Tennessee Department of Finance and Administration’s Office of Criminal Justice Programs (OCJP) is responsible for administering the VOCA victim assistance program. The OCJP functions as a strategic planning agency that secures, distributes, and manages federal and state grant funds for Tennessee. While collaborating with other public and private non-profit organizations, OCJP utilizes these grant monies to support innovative projects statewide in efforts to provide services for victims of crime and promote overall enhancement of the criminal justice system in Tennessee.

OIG Audit Approach

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

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA victim assistance program guidelines (VOCA Guidelines), and the OJP Financial Guide and DOJ Grants Financial Guide (Financial Guides) as our primary criteria.² We also reviewed relevant state policies and procedures and interviewed state personnel to determine how they administered the VOCA funds. We interviewed state and subrecipient personnel and further obtained and reviewed state and subrecipient records reflecting grant activity.³

² The OJP Financial Guide governs the 2014 award in our scope, while the revised 2015 DOJ Grants Financial Guide applies to the FY 2015, 2016, and 2017 awards. The revised DOJ guide reflects updates to comply with the Uniform 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.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to enhance crime victim services. The OCJP is the primary recipient of victim assistance grants at the state level in Tennessee and must distribute the majority of the funding to organizations that provide direct services to victims, such as rape treatment centers, domestic violence shelters, centers for missing children, and other community-based victim coalitions and support organizations. As the state administering agency, the OCJP has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require state administering agencies give priority to victims of sexual assault, domestic abuse, and child abuse. State administering agencies must also make funding available for previously underserved populations of violent crime victims.⁴ As long as a state administering agency allocates at least 10 percent of available funding to victim populations in each of these victim categories, it has the discretion in determining the amount of funds each subrecipient receives.

As part of our audit, we assessed the state's overall plan to allocate and award the victim assistance funding, specifically to address the large increase beginning in FY 2015. The state of Tennessee's funding increased substantially from \$9,198,421 in FY 2014 to \$39,696,179 in FY 2015. We reviewed how the state planned to distribute its available victim assistance grant funding, made subaward selection decisions, and informed its subrecipients of necessary VOCA requirements. As discussed below, in our overall assessment of grant program planning and execution, we determined that the OCJP was ultimately able to distribute available funding to serve crime victims. However, as discussed below, the OCJP had to substantially increase spending just prior to the FY 2015 award expiration. We are concerned that these spending challenges may be compounded for future years and could put undue pressure on the OCJP and its subrecipients in its management of the funds. We did not identify issues with the process to select subrecipients and found that the OCJP adequately communicated to its subrecipients applicable VOCA requirements.

Subaward Allocation Plan

The OVC's FY 2015 VOCA Victim Assistance Formula Solicitation required state and territory applicants to submit a subrecipient funding plan detailing efforts to identify additional victim service needs and subaward strategies to spend the substantial increase in VOCA funding. The OCJP used an existing process to develop its FY 2015 VOCA-specific strategic plan that focused on the large increase in VOCA funding. The OCJP planned to use its increased funding to increase victims services by initially providing to existing subrecipients the noncompetitive

⁴ The VOCA Guidelines state that these underserved victims may include, but are not limited to, victims of federal crimes; survivors of homicide victims; or victims of assault, robbery, gang violence, hate and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud, and elder abuse. The Guidelines also indicate that in defining underserved victim populations, states should also identify gaps in available services by victims' demographic characteristics.

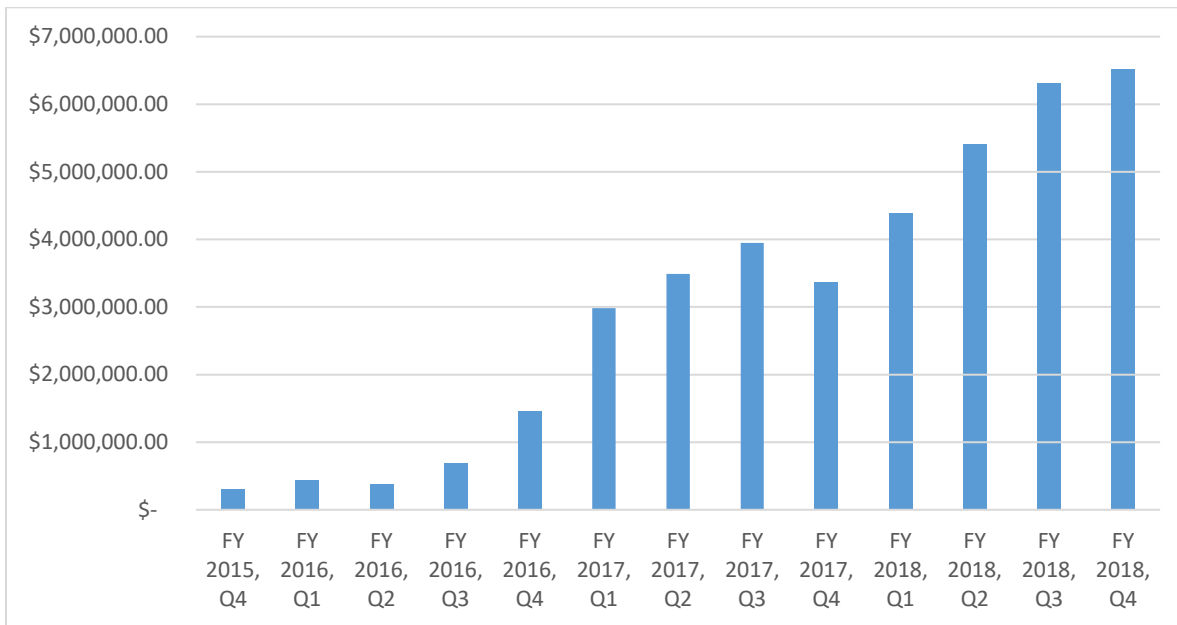
opportunity for a 20 percent funding increase. The existing subrecipient could also apply competitively for more than a 20 percent funding increase. The OCJP required the existing subrecipients to submit an application for the increased funding, and that application was subject to the OCJP's review and approval process. Not all existing subrecipients chose to apply for the additional funding.

As part of its FY 2015 plan, the OCJP arranged for a needs assessment that was performed by a subrecipient and consisted of a domestic violence and sexual assault survey provided to service providers across the state. The assessment focused on surveying service providers to identify what resources the providers believed were needed. The OCJP updated its VOCA-specific strategic plan for FYs 2016 and 2017 as a result of this needs assessment survey. In its FY 2016 update, the OCJP identified programmatic areas (such as therapy and advocacy services for child victims, and enhancing the technology and resources for domestic violence and sexual assault agencies) where increases in services were needed. In its FY 2017 update, the OCJP publicized the open awards solicitation through media and private foundations in an effort to contact potential subrecipients it had not previously funded.

OCJP's Spending Patterns

We analyzed the OCJP's spending from October 1, 2015, through September 30, 2018, to determine the pace of the program's implementation. Because the CVF grant funds are available for the fiscal year of the award plus 3 additional fiscal years, September 30, 2018, marked the end of the FY 2015 award period, when states would have to return any remaining unobligated funds to the CVF in accordance with the VOCA statute. Figure 1 shows the amount of FY 2015 award funds obligated per quarter for the award period.

Figure 1
FY 2015 Award Quarterly Obligations



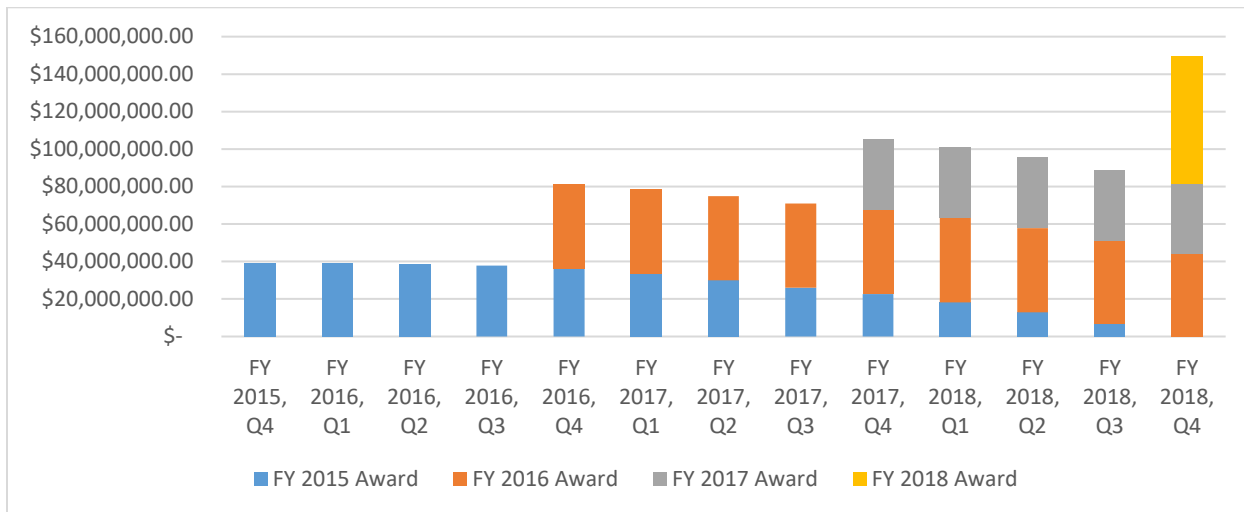
Note: Due to the timing of these grants, the funding for the FY 2015 award did not become available until the last quarter of FY 2015.

Source: OJP’s GMS

We found that the OCJP dramatically accelerated its spending as the FY 2015 award expiration approached. Ultimately, the OCJP utilized all FY 2015 funding, but we are concerned that such drastic increases in spending in such a short period may put funds at risk to mismanagement. An OCJP official told us the OCJP planned to begin implementing the FY 2016 award program on October 1, 2018, and is confident that it will apply the full \$44,979,475 from the FY 2016 award to victims’ services by the end of the award period on September 30, 2019.⁵ Figure 2 shows the OCJP’s unobligated funds from FY 2015 through FY 2018.

⁵ Although the official told us that implementation would begin in October 2018, drawdown of grant funds began in May 2018. The OCJP drew \$562,925 (1.25 percent of the total award) from May 2018 through September 2018, leaving \$44,416,550 (98.75 percent of the total award) to be obligated prior to September 30, 2019.

Figure 2
OCJP Unobligated VOCA Funds



Note: The OCJP has been awarded an additional \$67.8 million for its FY 2018 award, which expires September 30, 2021.

Source: OJP's Grants Management System

As shown in Figure 2, the OCJP had approximately \$80 million in VOCA funds left to obligate on September 30, 2016, approximately \$100 million on September 30, 2017, and approximately \$150 million on September 30, 2018.⁶ As of December 31, 2018, the OCJP had spent only \$9,853,703 (22 percent) of the FY 2016 award and had not drawn any funds from the FYs 2017 and 2018 awards, thereby indicating a delay in program implementation. To spend the full amount of the FY 2016 award, the OCJP would have to nearly double the rate of expenditure it exhibited during the final months of the FY 2015 award and maintain that rate until the FY 2016 award expires on September 30, 2019. In addition, the OCJP would again need to maintain a similar rate for the FY 2017 award that expires on September 30, 2020. Because of the significant increase in funding, the fact the VOCA Guidelines do not allow for grant extensions to the award period for these grants, and OCJP's spending patterns for the FY 2015 award, we are concerned that the spending rates that will be required for the OCJP to fully expend its awards will create additional risks for grant fund mismanagement. To address these risks, OCJP should consider its subrecipient recruitment strategy, as discussed in the following section.

⁶ At the conclusion of our audit work, OCJP officials told us that based on the subawards made and projected obligations against those subawards, the OCJP had fully allocated the FY 2016 and 2017 VOCA awards, and partially allocated the FY 2018 VOCA award.

OCJP's Subrecipient Recruitment

One factor that contributes to OCJP's challenges in fully implementing its award program is the universe of direct service providers that are potential subaward recipients. Around the time of the CVF cap increase, the OIG inquired whether OJP expected the states to make larger subawards to their existing population of subrecipients or make subawards at historical amounts to a wider universe of new subrecipients. OJP responded that this decision should depend on the needs and capabilities within each state and that either course was acceptable. As shown in Table 2, upon receipt of the funding increase in FY 2015, the OCJP significantly increased its number of subrecipients and more significantly increased its number of subawards over FY 2014 levels.

Table 2
Subaward Recipients⁷

Award Number	Number of Subawards	Number of Subrecipients
2014-VA-GX-0008	68	60
2015-VA-GX-0018	235	125
2016-VA-GX-0053	171	138
2017-VA-GX-0051	Not Yet Allocated	Not Yet Allocated

Source: Tennessee Department of Finance and Administration

For the FY 2016 award, the OCJP had told us it planned to continue to meet with community partners and government agencies to identify additional victim service needs and would increase its number of subrecipients. However, it did not continue these substantial increases to expand its subrecipient pool with the FY 2016 award and, as of September 2018, the OCJP had only added an additional 13 subrecipient organizations for the FY 2016 award. The OCJP's VOCA-specific strategic plan for FY 2017 also involved adding additional subrecipients, however, the trends in its recent subawards indicate that the number of potentially eligible new subrecipients may have plateaued.

We believe that the trends described above indicate that the state may benefit from enhanced efforts to identify additional victim needs as well as potential providers of services in demand. Although the OCJP performed a needs assessment survey in the fall of 2014, the assessment focused on surveying service providers to identify what resources the providers believed were needed. The assessment did not include an analysis of where crimes occur, where victims are located, and if those areas have sufficient providers. As a result, there may be additional victim needs in the state that are not being identified or targeted by current service providers. We discussed this concern with OCJP officials. The officials acknowledged that the surveying of service providers was no longer an effective

⁷ Subrecipient organizations are able to receive more than one subgrant, therefore there are more subawards than subrecipient organizations. This situation occurs because some subrecipients have more than one agency that receives separate subawards and subrecipients also receive additional subawards due to re-allocation.

strategy. For example, in OCJP's most recent survey of service providers, one service provider said it needed a conference room table and a Smart TV. One of the OCJP officials knew that sexual assaults had increased in the provider's area and was disappointed with the lack of response for additional forensic equipment to be used with sexual assault examinations. The OCJP official told us that inattention to the apparent need to fund additional forensic equipment caused the official to reconsider the OCJP's strategy for determining victim needs across the state. As of 2018, the OCJP planned to focus its needs assessment and strategic planning efforts more on crime data, results of stakeholders meetings, and victimization statistics. To help ensure that the state's program implementation plan to recruit additional service providers is successful, the OCJP should perform further analysis of the needs within its state to identify the types of additional services that victims need and the geographical areas where those needs could best be met. As part of this effort, the OCJP should assess the capacity of its potential subrecipients and consider ways to provide subawards to new recipients or work with existing subrecipients to implement projects and efforts that address the needs unique to the state. This assessment should help position the OCJP to more effectively utilize the large increase in funds for the expansion of victim services. We recommend that OJP works with the OCJP to develop and implement a plan to identify additional victim needs throughout the state so that it can effectively implement its grant program and meet the needs of victims with the increase in funding. If the OCJP is unable to responsibly distribute the funds prior to the end of the award period, deobligation of the funds is an appropriate outcome.

Subaward Selection Process

To assess how the OCJP made subawards, we identified the steps that the agency took to inform, evaluate, and select subrecipients for victim assistance funding. The OCJP typically announces awards in March or April each year and posts solicitations to its website. Applicants must first complete an Intent to Apply form, which is used by the OCJP to assess the level of general applicant interest in the program. Applicants then complete a full application packet, which is reviewed and scored by internal and external review teams. All reviewers are required to sign a conflict of interest form. The OCJP typically makes subawards in May and June each year.

While we did not identify issues with the OCJP's procedures for selecting subrecipients, we found that the OCJP did not modify its process in response to the significant funding increase beginning with the FY 2015 award. During the first year of that award, the OCJP provided extra funding to already established subrecipients. During the remaining years of the FY 2015 grant period, the OCJP awarded funds to new subrecipients and, by the end of the award period, doubled the number of subrecipients. These efforts enabled the OCJP make use of all of the significantly increased FY 2015 funds. It accomplished this despite not implementing its plan to increase subrecipients until June 2017, nearly 2 years after the FY 2015 award began. However, as previously discussed in this report, we are concerned that the increased spending in the last year of the program's implementation may put funds at risk for mismanagement.

Subaward Requirements

State administering agencies must adequately communicate VOCA requirements to their subrecipients. We reviewed the OCJP's most recent subaward solicitation and award package to determine how it communicated subaward requirements, VOCA-specific award limitations, applicant eligibility requirements, eligible program areas, restrictions on uses of funds, and reporting requirements. We determined the solicitation included all applicable federal award requirements. We also reviewed the subaward agreements for FY 2016 through FY 2018 and determined subrecipients were required to affirm compliance with VOCA requirements.

Program Requirements and Performance Reporting

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

Based on our assessment in the areas of program requirements and performance reporting, we believe the state: (1) fulfilled the distribution requirements to priority victim groups, (2) implemented adequate procedures to compile annual performance reports, and (3) complied with tested special conditions.

Priority Areas Funding Requirement

The VOCA Guidelines require the state award a minimum of 10 percent of the total grant funds to programs that serve victims in each of the four following categories: (1) child abuse, (2) domestic abuse, (3) sexual assault, and (4) previously underserved. The VOCA Guidelines give each state administering agency the latitude for determining the method for identifying "previously underserved" crime victims.⁸

We examined how the OCJP allocated VOCA subawards to gauge whether it was on track to meet the program's priority areas funding requirements. We found that the OCJP implemented a plan to allocate funding to meet the priority area requirements. The OCJP has a system that allowed it to identify the total amount

⁸ Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies. The OCJP defines underserved as victims of federal crimes; survivors of homicide victims; or victims of assault, robbery, gang violence, hate, and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud and elder abuse. Underserved victims may also be defined according to gaps in services by victim demographic characteristics such as status as a senior citizen, non-English speaking individuals, persons with disabilities, members of racial or ethnic minorities, or residents of rural or remote areas or inner cities.

allocated to meet the priority areas requirement, and we found that OCJP complied with the requirement.

Annual Performance Reports

Each state administering agency must annually report on activity funded by any VOCA awards active during the federal fiscal year to the OVC. The OVC requires states to upload reports annually to the OJP Grants Management System. As of FY 2016, the OVC also began requiring states to submit performance data through the web-based Performance Measurement Tool (PMT). States may provide subrecipients direct PMT access to report quarterly data. When subrecipients report directly in PMT, the OVC requires the state agency to approve the data. The OCJP began requiring subrecipients to report directly into PMT for FY 2016.

For the victim assistance grants, the states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. Additionally, according to a special condition of the victim assistance grants, the state must collect, maintain, and provide to the OVC data, which measures the performance and effectiveness of activities funded by the award. Because the state was not required to report performance using PMT prior to FY 2016, we obtained the FYs 2014 and 2015 data from the OCJP. For FYs 2016 and 2017, the OCJP submitted the OVC annual performance reports derived from PMT data entered by subrecipients. We discussed with OCJP officials how they compiled the performance data for those years. The subrecipients entered performance data into PMT each quarter. OCJP program managers then reviewed the data each quarter by comparing reported data to the subrecipients' initial plan and budget and previous PMT reports. The program managers also performed data verification as part of routine site visits completed under the OCJP's monitoring plan. This data verification consists of reviewing case files to support reported performance. When either a review of PMT data or onsite data verification identifies potential inaccuracies, the OCJP notifies the subrecipient and then reviews the inaccuracy along with the subrecipient. Subrecipients not reporting the number of new clients served for a FY first quarter report is a common inaccuracy OCJP personnel identify.

To determine whether the performance reports accurately reflected the statewide performance reported by the subrecipients, we reviewed the performance reports covering FYs 2014 through 2018. We assessed whether the performance reported to the OVC fairly reflected the performance figures its subrecipients had reported to the state for the January through March 2018 time period. We compared the data reported by six subrecipients against support documentation maintained by the subrecipients. We were generally able to reconcile the subrecipient subtotals against the totals the state reported to the OVC. We discuss in more detail our testing of subrecipient performance in the Monitoring of Subrecipients section below.

From FY 2014 to FY 2018, the OCJP achieved significant increases in the number of victims served. We found the number of individuals reported as served using VOCA funds more than doubled during this time, increasing from 37,204 in

FY 2014 to 93,199 in FY 2018. Yet, despite these significant increases in the number of victims served, we are concerned that there may be additional needs for victim services across the state. The Tennessee Bureau of Investigation reported that, in 2017, there were 387,194 victims of crime in the state. In addition, as discussed previously in this report, the OCJP recognized that its most recent efforts to identify victim needs throughout the state was no longer an effective strategy. While an OCJP official told us it is the OCJP's priority to increase services, and this priority is documented in its solicitations, it appears that over the last 2 years, as expenditures significantly increased, the number of victims served plateaued. For example, OCJP nearly doubled its quarterly spending from FY 2017 quarter 4 to FY 2018 quarter 4, but during the same period, its reported number of victims served increased by only 2,408 (10 percent). We recognize that there are a variety of ways additional funding can be applied to enhance victim services, which will not always directly translate to a proportionate increase in the number of victims served. We also recognize that not all victims may seek services. However, we believe that the high number of crime victims reported by the Tennessee Bureau of Investigation as well as the OCJP's acknowledged need to change its strategy to assess victim needs indicate there may be additional needs for victim services.

As discussed in the Subaward Allocation Plan section previously, the OCJP lagged in its program implementation and spent only minimal amounts of its FY 2016 award and none of its FY 2017 or 2018 awards. In developing an appropriate plan to implement its victim assistance program and distribute the remaining VOCA funding appropriately, the OCJP should assess the data available on victim needs across the state. It should determine how best to fund services to support areas that may have been previously unserved or underserved. On page 9 of this report we recommended that OJP ensures that the OCJP develops and implements a plan to identify additional victim needs throughout the state so that it increases its levels of services to address unmet needs with the increase in funding. We believe that this recommendation will address our concerns identified in this section.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the state certified it would comply with these special conditions. We reviewed the special conditions for each VOCA victim assistance program grant and identified special conditions that we deemed significant to grant performance, which are not otherwise addressed in another section of this report. For the victim assistance grants, the states must report to the OVC a Subgrant Award Report (SAR) with basic information on each subrecipient that receives victim assistance funds. We were able to reconcile the list of subgrants that the state reports via SAR against other information available from the state on entities receiving or selected to receive subawards.

Grant Financial Management

Award recipients must establish and maintain an adequate accounting system and financial records, which accurately account for awarded funds. To assess the adequacy of the state's financial management of the VOCA grants, we reviewed the process for the state to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate the state's financial management of the VOCA grants, we also reviewed the Single Audit Report(s) for FYs 2014 to 2017 and determined the state did not have any material weaknesses identified with its financial statements or reporting. We also interviewed state personnel who were responsible for financial aspects of the grants, reviewed the state's written policies and procedures, inspected award documents, and reviewed financial records.

Our overall assessment determined the OCJP had implemented adequate internal controls over the FYs 2014 and 2015 VOCA grant programs we tested.

Grant Expenditures

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

Subaward Expenditures

Subrecipients may request payment from the OCJP via an electronic invoice. According to OCJP policy, subrecipients should invoice monthly based on expenditures incurred, but all subrecipients must request at least once per quarter. The state reviews the invoice, and once approved, provides reimbursement to the subrecipient. According to its general ledger, as of August 31, 2018, we found the OCJP had reimbursed its subrecipients a total of \$43,577,274 from the 2014 and 2015 VOCA victim assistance program funds.⁹

To evaluate the state's financial controls over VOCA victim assistance grant expenditures, we reviewed a sample of subrecipient transactions to determine whether the payments were accurate, allowable, and in accordance with the VOCA Guidelines. We judgmentally selected a total of nine reimbursement requests from five subrecipients for a detailed review. The reimbursements we reviewed totaled \$381,048 in VOCA grant funds. These reimbursements included costs in the following categories: (1) personnel, (2) fringe, (3) travel, (4) rent, (5) supplies,

⁹ We began our review of grant expenditure testing in February 2018. At that time, the OCJP had only expended funds from the FYs 2014 and 2015 awards.

(6) equipment, (7) training, and (8) operating costs. We found the reimbursements to subrecipients were accurate, properly recorded, and supported.

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. Such costs must derive from efforts to expand, enhance, or improve how the agency administers the state crime victim assistance program and to support activities and costs that impact the delivery and quality of services to crime victims throughout the state. While grant-funded administrative costs generally must relate to a specific program, for VOCA assistance awards, the VOCA Final Rule states that funds for administration may be used to pay for costs directly associated with administering a state's victim assistance program.¹⁰ For the victim assistance grant program, we tested the state's compliance with the 5 percent limit on the administrative category of expenses. We compared the total administrative expenditures charged to the grants against the general ledger and determined the state has complied with these limits.

In addition to testing the state's compliance with the 5 percent administrative allowance, we also tested a sample of these administrative transactions. We identified the following cost categories for all administrative charges: 1) salaries, 2) fringe benefits, 3) indirect costs, 4) training and conferences, 5) travel and mileage, and 6) supplies. We judgmentally selected 25 transactions out of a total of 7,840 transactions from the FYs 2014 and 2015 VOCA grants. This sample represented \$515,429 out of \$2,223,843 in total administrative costs. We also reviewed four different pay periods for personnel costs charged to the VOCA grants in the amount of \$46,106. We found the administrative costs were accurate, properly recorded, and adequately supported.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs. The grantee should time drawdown requests to ensure the federal cash on hand is the minimum needed for disbursements or reimbursements made immediately or within 10 days. VOCA grant funds are available for the fiscal year of the award plus 3 additional fiscal years. To assess whether the OCJP managed grant receipts in accordance with these federal requirements, we compared the total amount drawn to the total expenditures in the state's accounting system and accompanying financial records. For the closed FY 2014 award, total draws matched total expenditures. For the FY 2015 award, total draws did not exceed expenditures. At the time of our February 2018 drawdown review, the OCJP had not drawn funds or made expenditures from the FYs 2016 and 2017 awards. For the VOCA victim assistance awards, the OCJP calculates drawdown amounts sufficient to cover subrecipient reimbursement requests. As a

¹⁰ OVC officials have indicated that this may include both VOCA and non-VOCA activities supported by the state administering agency, as long as they relate to victim assistance.

result, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

Matching Requirement

VOCA Guidelines require that subrecipients match 20 percent of the project cost. The purpose of this requirement is to increase the amount of resources available to VOCA projects, which prompts subrecipients to obtain independent funding sources to help ensure future sustainability. Although subrecipients must derive required matching contributions from non-federal, non-VOCA sources, subrecipients can provide either cash or an in-kind match to meet matching requirements.¹¹ 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.

To ensure subrecipients meet the match requirement, the state accounting system uses a system control that limits reimbursement to no more than 80 percent of total subrecipient project costs. The OCJP communicates the match requirement in its initial announcement of each solicitation on the OCJP website. In addition, the OCJP outlines the match requirement in the award package as a part of the grant budget. Also, the OCJP Grants Manual details valuation of non-cash matches. We determined OCJP personnel review matching costs as part of its on-site monitoring review process. The OCJP's review manual for on-site monitoring includes a section to review matching costs. We also reviewed support for matching costs during our site visits to the subrecipients and determined the support was adequate. We did not identify issues related to matching costs.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the state submitted accurate Federal Financial Reports (FFR), we compared the state's accounting records to financial data reported in 10 FFRs. We reviewed the four most recent FFRs for the FY 2014 award, the four most recent FFRs for the FY 2015 award, the most recent FFR for the FY 2016 award, and the most recent FFR for the FY 2017 award, as of February 21, 2018.

We determined quarterly and cumulative expenditures for the FFRs reviewed did not always match the state's accounting records for the 2014 and 2015 grants as shown in Table 3.

¹¹ 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 3
Federal Financial Reports

Award Number	Report Period End Date	Expenditures Per FFR	Expenditures Per Accounting Records	Difference
2014-VA-GX-0008	6/30/2016	\$ 2,037,131	\$ 2,359,701	\$ (322,570)
	9/30/2016	407,341	49,019	358,322
	12/31/2016	85,932	94,056	(8,124)
	3/31/2017	84,847	84,847	0
			Total:	27,628
2015-VA-GX-0018	3/31/2017	\$ 3,487,930	\$ 3,487,930	\$ 0
	6/30/2017	3,950,366	5,091,467	(1,141,101)
	9/30/2017	3,366,895	2,226,781	1,140,113
	12/31/2017	4,385,475	4,385,643	(167.94)
			Total:	(1,156)

Source: Tennessee Department of Finance and Administration accounting records and OJP's Grants Management System

For six of the ten FFRs tested, the state did not accurately report Federal expenditures. A state official told us the smaller differences (\$8,124 and \$167.94) resulted from minor accounting adjustments. The official said the larger differences occurred because the state's fiscal year ends on June 30, and it submits the June 30 FFR prior to the year-end close. This practice causes an over reporting on the June 30 FFR that is subsequently corrected on the September 30 report. We believe the explanation to be reasonable, and we do not make a recommendation.

Monitoring of Subrecipients

According to the OJP and DOJ Financial Guides, the purpose of subrecipient monitoring is to ensure subrecipients: (1) use grant funds for authorized purposes; (2) comply with the federal program and grant requirements, laws, and regulations; and (3) achieve subaward performance goals. As the primary grant recipient, the OCJP must develop policies and procedures to monitor subrecipients. To assess how the OCJP monitored its VOCA subrecipients, we interviewed state personnel, identified state monitoring procedures, and obtained records of interactions between the OCJP and its subrecipients. We also conducted site visits of six subrecipients that included interviewing personnel, touring facilities, and reviewing accounting and performance records. We spoke with subrecipient officials about the support received from the state. Those officials told us they have good working relationships and communication with the OCJP. We also observed that the six locations are able to provide services.

According to its policies and procedures, the OCJP requires subawards to be monitored at least once every 3 years. The frequency of monitoring is also based on an assessment of subrecipient risk that the OCJP performs as part of developing its monitoring plan. The OCJP has increased the number of monitoring visits as the number of subrecipients has increased. Programmatic and fiscal monitoring is conducted separately. OCJP policy identified core monitoring areas such as

allowable activities, cash management, program income, reporting, and matching. OCJP program managers and fiscal monitors share an electronic monitoring folder to document pertinent information, monitoring guides, and other working papers. The OCJP also maintains monitoring reports, response letters, and corrective action plans.

As discussed below, we found the OCJP generally monitored its subrecipients' financial and performance activity adequately. However, it needs to improve its monitoring policies and procedures to ensure its subrecipients comply with the requirement that VOCA awards serve victims in priority target areas.

Financial Monitoring

To receive reimbursement, subrecipients must submit to the OCJP expenditure reimbursement reports along with supporting documentation for all expenditures. The OCJP reviews the payment request to ensure the costs are allowable and comply with the subrecipient's budget before the payment is approved. Based on our site visit of the six subrecipients and the associated subrecipient expenditure testing described above, the OCJP's financial monitoring policies and procedures appeared adequate to ensure subrecipients were reimbursed for only allowable expenditures. In addition to following its procedures for reviewing support documentation and reimbursing subrecipients, in FY 2018, the OCJP performed 50 fiscal reviews, of which 47 were performed on-site.

Performance Monitoring

As discussed earlier in this report, the OCJP requires its subrecipients to enter data into PMT, and the OCJP reviews the subrecipients' data quarterly. In addition to its quarterly review process, in FY 2018, the OCJP performed 54 program reviews of which 52 were performed on-site and 2 were desk reviews. We also assessed subrecipient performance reports. We sought support for select subrecipient-reported figures to confirm the number of victims reported as served via VOCA funding. At each of the six locations we visited, we selected a quarterly PMT report to determine if the reported information was properly supported. We compared the quarterly PMT report to support documentation the subrecipients provided. We determined the documentation provided generally supported the subrecipients' reported performance.

During our subrecipient site visits, we identified one subrecipient that was not providing or reporting on one priority target area for which the OCJP allocated funding to the subrecipient. In addition, the monitoring guide the OCJP uses for site visits does not have a specific step to address subrecipients' provision of funded services and reporting priority target areas. The OCJP should strengthen monitoring of subrecipient's performance to ensure the subrecipients used the funds for the funded priority target area service categories. We recommend that OJP ensure that the OCJP implement specific on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.

CONCLUSION AND RECOMMENDATIONS

Overall, we found the state, specifically its OCJP, enhanced its services to crime victims with its VOCA funding. The OCJP reported it was able to increase the number of victims receiving services from 37,204 in FY 2014 to 93,199 in FY 2018. We did not identify significant concerns regarding the OCJP's grant financial management. We did, however, identify concerns with the OCJP's grant planning and execution, program performance, and monitoring. Specifically, the OCJP's established plan to allocate and spend additional VOCA funds may not be sustainable for future years. In our assessment of program performance, we found that the OCJP's spending pattern indicated a lag in program implementation and that the state could do more to identify additional victim needs. While the OCJP generally monitored its subrecipients' financial and performance activity adequately, we found it should strengthen monitoring to ensure the subrecipients used their funds for the priority target area service categories. We provide two recommendations to OJP to address these concerns.

We recommend that OJP:

1. Ensures the OCJP develops and implements a plan to identify additional victim needs throughout the state so that it increases its levels of services to address the unmet need with the increase in funding.
2. Ensures that the OCJP implement specific on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

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

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We audited Victims of Crime Act (VOCA) victim assistance formula grants 2014-VA-GX-0008, 2015-VA-GX-0018, 2016-VA-GX-0053, and 2017-VA-GX-0051 from the Crime Victims Fund (CVF) awarded to the state. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$131,390,840 to the state, which serves as the state administering agency. Our audit concentrated on, but was not limited to, October 1, 2013, which is the project start date for VOCA assistance grant number 2014-VA-GX-0008, through September 30, 2018. As of October 22, 2018, the state had drawn down a total of \$50,441,896 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the state'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 progress 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 and DOJ Grants Financial Guides, and the award documents contain the primary criteria we applied during the audit.

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

While our audit did not assess the state's overall system of internal controls, we reviewed the internal controls of the state's financial management system specific to the management of funds for each VOCA grant within our review. To determine whether the state adequately managed the VOCA funds we audited, we conducted interviews with state of Tennessee financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We also developed an understanding of the state'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. Based on our sampling plan discussed above, we selected six subrecipients and performed site visits at each location. During the subrecipient site visits, we interviewed staff and reviewed support documentation for expenditures and reported performance.

TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION
RESPONSE TO THE DRAFT REPORT



April 17, 2019

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

Dear Mr. Polk:

The Department of Finance and Administration, Office of Criminal Justice Programs (OCJP), appreciates the opportunity to respond to the recommendations in the draft report.

Recommendation 1: Ensures the OCJP develops and implements a plan to identify additional victim needs throughout the State so that it increases its levels of services to address the unmet need with the increase in funding.

Concur

OCJP has a rigorous forward-thinking strategic planning process which engages a wide variety of groups to identify improvements to addressing the needs of victims across the state. These planning groups believe that addressing both the quantity and quality of victim services are the priority of the expansion in VOCA dollars. To this end OCJP continues to implement new projects with new subrecipients, thus increasing its levels of services to address unmet needs. OCJP was able to offer several open/competitive solicitations over the past few fiscal years in order to expand the reach. To address the quality of services offered to victims, our office also focused on adding projects which increase capacity and quality of services which will not necessarily show an increase in numbers of victims served. OCJP funding:

- increased educational opportunities to direct service providers/agencies to enhance skills to increase the quality of services offered,
- increased evidence-based interventions where appropriate;
- encouraged agencies to provide competitive salaries for victim service providers to decrease turnover and have more qualified applicants; and
- increased funding for organizational wellness, thus increasing access to trauma-informed care for crime victims.

The 2015-VA-GX-0018 award increased our annual VOCA funding by over \$30,000,000. In order for OCJP to be good stewards of the funding, we immediately began to strategically plan once the award was executed. OCJP first initiated a plan to increase current subrecipient grants, while simultaneously implementing a process to meet with stakeholders and determine unmet or under-met victim needs. The following is a timeline for the initial enhanced funding of current grantees:

- October 2015-December 2015 planning took place,
- first quarter of calendar year 2016 solicitation was sent to current grantees,
- April, 2016-June, 2016 applications were received and contracts processed,

- July 1, 2016 new funding began.

OCJP held two strategic planning meetings on October 14 and 28, 2015 with a diverse group of victim services and criminal justice professionals to learn more about needs that VOCA could address. This group looked at crime and victimization data from the Tennessee Incident Based Reporting System to assist with planning. Additional standing committees were formed after these two strategic planning meetings to continue to look at needs and possible responses. These standing committees continue to meet to assist OCJP with funding priorities. These committees include:

- Inclusivity/Culturally Specific Committee
- Domestic Violence, Sexual Assault and Child Sexual Assault Service Provider Work Group
- State Agency Domestic Violence and Sexual Assault Work Group
- Sexual Assault Nurse Examiner Committee
- Family Justice Center Advisory Committee

OCJP was also involved with several state initiatives which helped to inform the strategic planning process. These include: The Governor's Public Safety Subcabinet; the Building Strong Brains Initiative; Human Trafficking Advisory Committee; and the State Coordinated Community Response to Vulnerable Adults. OCJP continues to participate in these initiatives. Additionally, two groups, The Youth Working Group and the Organizational Wellness Committee met until late in calendar year 2018 to assist with planning for funding. These two groups are no longer meeting, but members from these committees serve on other planning committees OCJP utilizes.

OCJP oversees a number of state and federal criminal justice and victim services funding sources; which include other federal funding that assists crime victims such as SASP, STOP and FVPSA. OCJP coordinates the various fund sources that it oversees to make the greatest impact on public safety. Therefore, OCJP convenes a roundtable annually to assist with planning for funding priorities across fund sources, and the information from these groups is presented at the Strategic Planning Roundtable. Updates to the OCJP strategic plan are posted on our website <https://www.tn.gov/finance/office-of-criminal-justice-programs/ocjp/fa-ocjp-planning/fa-ocjp-annual-plans.html>. Since OCJP is one of a few states that is the State Administrating Agency for all the victim services and criminal justice federal funds, OCJP's comprehensive strategic plan addresses the needs of the entire response to crime.

OCJP began releasing open solicitations in the first quarter of 2016. The VOCA 2015-VA-GX-0018 award was executed on August 25, 2015 which means no time lapsed from receipt of award to planning (third quarter calendar year 2015) to releasing solicitations (first quarter calendar year 2016) to reviewing applications for new contracts (second quarter 2016) to implementing new projects (third quarter calendar year 2016) .

From the extensive planning, meeting the unmet needs of current victims served and then increasing services to underserved populations were identified as priorities. OCJP released solicitations with preferences to enhance services to underserved populations, underserved counties and underserved crime types. Examples of projects include:

- increasing Family Justice Centers in rural communities;
- projects for youth and young adults with trauma from victimization;
- establishing offices for child advocacy centers,



- domestic violence programs and sexual assault programs in counties that have no offices;
- projects in local jails serving female inmates who are victims of domestic violence/sexual assault; and additional grants for legal services for victims that are part of culturally specific and special populations.

The list below indicates the priorities based on strategic planning meetings and committee input.

State Fiscal Year 2017

- **July 1, 2016 to June 30, 2018; then extended to June 30, 2020**
FJC Navigator
Legal Aid
Child Advocacy Center
Victim Service Project Enhancements
- **December 1, 2016 to June 30, 2019**
Victim Coordinators
- **January 1, 2017 to June 30, 2019**
Sexual Assault Therapy

State Fiscal Year 2018

- **July 1, 2017 to June 30, 2020**
Transitional Housing
Human Trafficking
Victim Coordinator
Reentry Trauma Services
Legal Aid
Culturally Specific
DV-SA Advocates and SART Coordinators

State Fiscal Year 2019

- **July 1, 2018 to June 30, 2021**
Law Enforcement Victim Coordinator
Juvenile Restorative Justice
Culturally Specific
Serving Youth and Young Adults with Trauma
Sexual Assault Services
- **January 1, 2019 to June 30, 2022**
CASA Volunteer Coordinator
- **January 1, 2019 to June 30, 2023**
Legal Aid

State Fiscal Year 2020

- **July 1, 2019 to June 30, 2022**
DCS Domestic Violence Liaison
Human Trafficking Residential Capacity Expansion
Human Trafficking Capacity Increase
Victim Witness Coordinators- County
Contract Therapy

OCJP will continue its rigorous strategic planning efforts to identify emerging victim needs, develop funding opportunities to meet those needs and ensure full obligation of each VOCA award.

Recommendation 2: Ensures that the OCJP implement specific on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.

Concur

OCJP has tools and documents to be completed by the Program Managers during on-site monitoring visits. VOCA funded projects are monitored on the implementation of their project as stated in the grant contract narrative and corresponding SAR. The OCJP Detailed Review Guide (DRG) was developed to assist Program Managers with monitoring, making sure all the core monitoring areas are reviewed. The DRG is used across

fund sources and does not use specific fund source vernacular. The Program Monitoring DRG was developed through a Tennessee LEAN process to produce a single program monitoring tool that could be used with every funding source OCJP oversees while being sufficiently detailed to capture program implementation (or lack thereof) in accordance with funding requirements. OCJP specifically created this tool to be used with all fund sources, and it takes into account priority areas that are required with various federal funds, such as VOCA, JAG, and STOP. This LEAN process aligned with the State's emphasis on efficient and effective government.

Below are the excerpts from the DRG where the topic of priority target areas is thoroughly monitored:

The objective of the test of Activities Allowed or Required is to determine whether the activities of the program are allowable under the program regulations, laws, and provisions of the contract/grant agreement.

I. ACTIVITIES ALLOWED OR REQUIRED	Compliant	NA	WP Reference
2. The project is being implemented as stated in the grant contract narrative. Briefly describe activities observed, documents reviewed, and interview(s) with staff that support the reviewer's conclusions. (<i>Grants Manual Chapter II.A.2, 2 CFR 200.301, 2015 DOJ Financial Guide</i>)			
Comments:			

The objective of this test is to determine whether program participants were eligible under the applicable program guidelines, remained eligible during the period, and whether the amounts of benefits provided were properly computed and adequately documented.

II. ELIGIBILITY	Compliant	NA	WP Reference
3. Client/participant files indicate the targeted population(s) is being served appropriately. (Contract, Fund Source requirements, 2 CFR 200.301)			
Comments:			

The objective of this test is to verify whether the subrecipient complied with all reporting requirements of the program.

III. REPORTING	Compliant	NA	WP Reference
1. Data shows that the project is being implemented as planned. Review year-to-date outputs as necessary. (Grants Manual Chapter VII, 2 CFR 200.328)			
Comments:			

Supervisors meet with monitors prior to their site visits to review the monitoring plan and insure that the specific requirements of the fund sources are being reviewed. Priority areas for VOCA are addressed in these supervisor meetings. To further insure oversight and monitoring of the priority areas, OCJP has enhanced the OCJP Internal Procedure Manual monitoring section related to the preparation for monitoring and the monitoring detailed review guide documentation guidance to address review of the fund source priority areas. The language added has been provided below.

Planning:

- Ensure that the priority areas are noted for review for VOCA and STOP funded contracts.

The appropriate Core Areas (outlined on the DRG) are reviewed:

- Ensure that priority areas are reviewed in the DRG for VOCA and STOP funded contracts.

If there are further questions for clarification, please feel free to contact Director Jennifer Brinkman at (615)253-2037 or Jennifer.Brinkman@tn.gov. As always, you may reach out to me with any questions or concerns.

Sincerely,


Stuart C. McWhorter
Commissioner

**OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

MAY - 1 2019

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

FROM: Ralph E. Martin
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Office for Victims of Crime, Victim Assistance Formula Grants Awarded to the Tennessee Department of Finance and Administration, Nashville, Tennessee*

This memorandum is in reference to your correspondence, dated April 3, 2019, transmitting the above-referenced draft audit report for the Tennessee Department of Finance and Administration's Office of Criminal Justice Programs (OCJP). We consider the subject report resolved and request written acceptance of this action from your office.

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

1. **We recommend that OJP ensures that the OCJP develops and implements a plan to identify additional victim needs throughout the State, so that it increases its levels of service to address unmet needs with the increase in funding.**

OJP agrees with this recommendation. We will coordinate with the OCJP to ensure that it develops and implements a plan for identifying additional victim needs throughout the State of Tennessee, in order to utilize the increase in funding to increase its levels of service and address unmet victim needs.

2. **We recommend that OJP ensures that the OCJP implement specific on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.**

OJP agrees with this recommendation. We will coordinate with the OCJP to obtain a copy of written policies and procedures, developed and implemented, to ensure that it strengthens its specific on-site subrecipient monitoring policies and procedures, in order to ensure that subrecipients use grant funds for priority target areas.

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

cc: Matt M. Dummermuth
Principal Deputy Assistant Attorney General

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

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

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment and Management

Darlene L. Hutchinson
Director
Office for Victims of Crime

Tracey Trautman
Principal Deputy Director
Office for Victims of Crime

Allison Turkel
Deputy Director
Office for Victims of Crime

Kathrina S. Peterson
Acting Deputy Director
Office for Victims of Crime

Katherine Darke-Schmitt
Deputy Director
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

Jalila Sebbata
Grants Management Specialist
Office for Victims of Crime

cc: Charlotte Grzebien
Deputy General Counsel
Office of the General Counsel

Robert Davis
Acting Director
Office of Communications

Leigh A. Benda
Chief Financial Officer

Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

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

OJP Executive Secretariat
Control Number IT20190404064747

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

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the Tennessee Department of Finance and Administration, Office of Criminal Justice Programs (OCJP). OJP's response is incorporated in Appendix 3 and the OCJP's response is incorporated in Appendix 2 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. The OCJP also concurred with our recommendations. In addition, the OCJP provided technical comments that were incorporated in this final report, where necessary. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensures the OCJP develops and implements a plan to identify additional victim needs throughout the state so that it increases its levels of services to address the unmet need with the increase in funding.**

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OCJP to ensure that it develops and implements a plan for identifying additional victim needs throughout the State of Tennessee, in order to utilize the increase in funding to increase its levels of service and address unmet victim needs.

The OCJP concurred with our recommendation and stated that it has a rigorous forward-thinking strategic planning process which engages a wide variety of groups to identify improvements to addressing the needs of victims across the state. These planning groups believe that addressing both the quantity and quality of victim services are the priority of the expansion in VOCA dollars. OCJP stated that it continues to implement new projects with new subrecipients, thus increasing its levels of services to address unmet needs.

The OCJP described in detail the steps it took to engage these groups in developing solicitations and adding additional subrecipients in an effort to address unmet needs.

As explained in the report, we agree that the OCJP was able to increase services along with the increase in funding. It also significantly increased its number of service providers. However, as also described in the report, while spending increased significantly towards the end of the 2015 award, the number of people served remained steady. In addition, the state was

receiving additional funding that would significantly increase the amount available to subrecipients. We believed that the OCJP would have difficulty adding additional subrecipients necessary to obligate the funds.

As discussed in the report, the OCJP performed a needs assessment survey in the fall of 2014. The assessment focused on surveying service providers to identify resources the providers believed were needed. The OCJP continued with that assessment model in subsequent years. The assessment did not include an analysis of where crimes occur, where victims are located, and if those areas have sufficient providers. As a result, there may be additional victim needs in the state that are not being identified or targeted by current service providers. OCJP officials acknowledged that the surveying of service providers was no longer an effective strategy. As we discuss in the report, the OCJP planned to focus its needs assessment and strategic planning efforts more on crime data, results of stakeholders meetings, and victimization statistics. We agreed that the OCJP should perform further analysis of the needs to identify the types of additional services that victims need and the geographical areas where those needs could best be met.

This recommendation can be closed when we receive documentation from OJP that the OCJP developed and implemented a plan to identify additional victim needs throughout the state so that it increases its level of services to address the unmet need.

2. Ensures that the OCJP implement specific on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.

Resolved. OJP agreed with our recommendation and stated that it will coordinate with the OCJP to obtain a copy of written policies and procedures, developed and implemented, to ensure that it strengthens its specific on-site subrecipient monitoring policies and procedures to ensure that subrecipients use grant funds for priority target areas.

The OCJP concurred with our recommendation and stated that it has tools and documents to be completed by the Program Managers during on-site monitoring visits. The OCJP also stated that its Detailed Review Guide (DRG) was developed to assist Program Managers with monitoring, making sure all the core monitoring areas are reviewed. The DRG was developed through a process to produce a single program monitoring tool that could be used with every funding source the OCJP oversees. The OCJP believes the DRG takes into account priority areas that are required with various federal funds, including VOCA.

The OCJP also provided excerpts from its DRG that it believes addresses priority target areas. In addition, the OCJP stated that supervisors meet with monitors prior to site visits to review the monitoring plan and ensure that monitors review specific requirements of the fund sources. The OCJP stated that VOCA programs are addressed in these supervisor meetings.

The OCJP also stated that, to further ensure oversight and monitoring of the priority areas, it enhanced its Internal Procedure Manual monitoring section related to the preparation for monitoring as well as the monitoring detailed review guidance. Specifically, the enhancement for the planning section included the following, "Ensure that the priority areas are noted for review for VOCA and STOP funded contracts." The detailed review guidance now include the following language, "Ensure that priority areas are reviewed in the DRG for VOCA and STOP funded contracts."¹²

We believe the OCJP has taken steps in enhancing its monitoring procedures for addressing priority target areas identified in the VOCA guidelines. We reviewed the DRG during the audit and agree that the guide addresses core monitoring areas to include multiple programs. Because we identified a subrecipient that received an allocation for a priority target area but was neither providing nor planning to provide services in that area, we believe that on-site monitoring should be enhanced. We believe at the time of our audit, the monitoring guide designed for multiple programs was not sufficient to fully address priority target areas.

This recommendation can be closed when we receive documentation from OJP that the OCJP implemented its revised on-site subrecipient monitoring procedures to ensure subrecipients use funds for priority target areas.

¹² STOP is the Department of Justice's Office on Violence Against Women's STOP Violence Against Women Formula Grant Program.



The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations.

To report allegations of waste, fraud, abuse, or misconduct regarding DOJ programs, employees, contractors, grants, or contracts please visit or call the **DOJ OIG Hotline** at oig.justice.gov/hotline or (800) 869-4499.

U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL

950 Pennsylvania Avenue, Northwest
Suite 4706
Washington, DC 20530 0001

Website
oig.justice.gov

Twitter
[@JusticeOIG](https://twitter.com/JusticeOIG)

YouTube
[JusticeOIG](https://www.youtube.com/JusticeOIG)

Also at Oversight.gov