



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
Award to Pennsylvania State
University,
State College, Pennsylvania



Executive Summary

Audit of the Office of Justice Programs Office for Victims of Crime Award to Pennsylvania State University, State College, Pennsylvania

Objectives

The Office of Justice Programs (OJP) awarded the Pennsylvania State University (PSU) a cooperative agreement totaling \$4,143,143 for the Pennsylvania Sexual Assault Forensic Examination and Training Center. The objectives of this audit were to determine whether costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether PSU demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that PSU demonstrated adequate progress towards the award's stated goals and objectives. This audit did not identify significant concerns regarding PSU's compliance with the award conditions related to personnel and fringe benefit costs, supply costs, consultant and contractual costs, travel costs, and indirect costs. We also did not identify deficiencies with PSU's compliance with the requirements for drawdowns of federal funds and financial reporting.

Recommendations

Our report contains no recommendations.

Audit Results

The purposes of the OJP award we reviewed were to develop or enhance statewide telemedicine programs to deliver expert Sexual Assault Nurse Examiner guidance and support to medical professionals conducting sexual assault forensic exams in state correctional facilities, institutions of higher education, and rural and tribal communities. The project period for the award was from October 2016 through September 2020, and \$1,530,135 had been drawn down as of March 2019.

Program Goals and Accomplishments - We determined PSU demonstrated adequate progress towards the award's stated goals and objectives.

Costs Charged to the Award - We found that PSU's personnel and fringe benefit costs for the periods we tested were allowable, supported, calculated accurately, properly allocated, and necessary to the award. Through our testing, we also determined that costs for supplies, consultants and contracts, and travel were allowable and supported. In addition, we found that PSU used the proper, approved indirect rates for each fiscal year in the award, used a correct indirect base, and calculated the indirect costs accurately.

Financial Management - We did not identify significant deficiencies related to PSU's process for developing drawdown requests, and we determined that quarterly and cumulative expenditures for the financial reports we reviewed matched PSU's accounting records.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE FOR VICTIMS OF CRIME AWARD TO PENNSYLVANIA
STATE UNIVERSITY, STATE COLLEGE, PENNSYLVANIA**

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AUDIT OF THE OFFICE OF JUSTICE PROGRAMS OFFICE FOR VICTIMS OF CRIME AWARD TO PENNSYLVANIA STATE UNIVERSITY, STATE COLLEGE, PENNSYLVANIA

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to Pennsylvania State University (PSU) in State College, Pennsylvania. PSU received one award with a supplemental increase totaling \$4,143,143, as shown in Table 1.

Table 1

Cooperative Agreement Awarded to Pennsylvania State University

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2016-NE-BX-K001	OVC	9/30/2016	10/01/2016	12/31/2017	\$1,143,143
Supplemental	OVC	9/28/2017	10/01/2016	9/30/2020	\$3,000,000
Total:					\$4,143,143

Source: OJP's Grants Management System (GMS)

OJP provided funding through Award Number 2016-NE-BX-K001 to develop or enhance statewide telemedicine programs to deliver expert Sexual Assault Nurse Examiner (SANE) guidance and support to medical professionals conducting sexual assault forensic exams in state correctional facilities, institutions of higher education, and rural and tribal communities. This program furthers the Department's mission by providing 24-hour live access to expert examiners using cutting-edge audiovisual technology to walk a healthcare provider through a forensic medical examination.

The Awardee

PSU is the Commonwealth of Pennsylvania's sole land-grant institution and its largest public university. PSU's land-grant mission embraces teaching, research, and public service in order to support the citizens of the Commonwealth, collaborating with industrial, education, and agricultural partners to create, disseminate, integrate, and apply knowledge that is valuable to society. In Fiscal Year 2018, PSU had \$927 million in total research support, of which \$562 million came from federal sources.

PSU's Sexual Assault Forensic Examination Telehealth Center (SAFE-T Center) was launched as a solution to enhance access to high quality sexual assault care in underserved communities. When a sexual assault examination is performed at one of the partner hospitals, one of SAFE-T Center's expert nurses participates through telehealth. The expert nurse appears on a screen and can talk to, and support, both the on-site nurse and the patient. Through PSU's specialized digital telehealth technology, the nurse can also see the live exam in progress, ensuring

best practices, proper evidence collection, and a safe, helpful environment for the patient.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether PSU demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the award. The 2015 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

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

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, award solicitations, and supporting documentation, walked-through PSU's web-based applications, and interviewed officials to determine whether PSU demonstrated adequate progress towards achieving program goals and objectives. We also reviewed progress reports to determine if the required reports were timely and accurate. Finally, we reviewed PSU's compliance with special conditions identified in the award documentation.

Program Goals and Objectives

The overall performance goal of Award 2016-NE-BX-K001 was to manage a demonstration project that established a telemedicine center, staffed by highly trained and experienced Sexual Assault Examiners, to assist less experienced medical staff at underserved communities in conducting sexual assault forensic examinations. Specifically, PSU's proposal was to locate the telemedicine center on the PSU campus in State College while providing training and equipment to three initial pilot site hospitals: J.C. Blair Memorial Hospital, Penn Highlands Dubois Hospital, and UPMC Susquehanna Soldiers and Sailors Memorial Hospital.



Source: PSU SAFE-T Center Website

The initial award of \$1,143,143 supported planning activities and was completed in December 2017, 15 months after the project start date. The supplemental award of \$3 million was to be used for implementing and operating the center, and this phase of the project is due to end in September 2020.

As part of our audit, we interviewed officials, reviewed planning documentation, inspected equipment, reviewed operating agreements between PSU and partner hospitals, and were provided demonstrations of the web-based

computer applications created to facilitate communication between Sexual Assault Examiners and medical professionals at the three pilot hospitals. We also reviewed documentation related to forensic examinations provided to 10 sexual assault victims included in the program through December 2018.

Generally speaking, we determined that PSU met the planning goals of the initial award and we did not find any indications that it was not making adequate progress towards achieving the implementation goals in the supplemental award.

Required Performance Reports

According to the 2015 DOJ Grants Financial Guide, funding recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in the progress reports, we selected a sample of five performance measures from four reports submitted for the award. We then traced the items to supporting documentation maintained by PSU.

Of the five claims we selected for accuracy testing, one did not match exactly with PSU's performance data. On its progress report, PSU claimed that its hospital partner sites averaged 10 policy and 3 documentation changes. We averaged the claims out to be 8.66 and 2.66. Although PSU's reported average of hospital partner site policy and documentation changes did not match exactly to PSU's performance data, we determined the differences did not significantly affect the usefulness of the reports.

Compliance with Special Conditions

Special conditions are the terms and conditions that establish specific requirements for the award recipient, and are included with the award. We evaluated the special conditions for the award and selected a judgmental sample of the requirements that are significant to performance under the award and were not addressed in another section of this report. We evaluated four special conditions for additional testing. As described in more detail below, we did not identify any instances where PSU violated these additional special conditions.

According to 34 U.S.C. section 10231 and 28 C.F.R. Part 22, PSU was to comply with all confidentiality requirements applicable to collection, use, and revelation of data or information; and PSU was to submit a Privacy Certificate that is in accord with requirements of 28 C.F.R. Part 22. In addition, within 90 days of the date of award, PSU was to submit to OVC, for review and approval, its policies and procedures that it has established to maintain the confidentiality of victims' names, addresses, telephone numbers, or any other identifying information, and its policies and procedures relating to information sharing between partners. Under this special condition, PSU was to submit a signed, written certification that data privacy and sharing protocols comported with the confidentiality and privacy rights and obligations of federal law or the awardee's jurisdiction's laws, court rules, or rules of professional conduct applicable to the work performed. We reviewed PSU's submitted confidentiality policies and procedures and signed privacy certificates.

We did not find any indications that PSU did not adhere to this special condition requirement.

PSU was also required to comply with all applicable requirements (including requirements to report allegations) pertaining to prohibited conduct related to the trafficking of persons. We reviewed PSU's policies and procedures related to background checks and reporting. We found PSU to be in compliance with this requirement.

In another special condition (and Title VI), PSU was to certify that Limited English Proficiency (LEP) persons have meaningful access to the services under the award-funded program. In order to determine whether PSU's program provided language assistance services, we reviewed the policies and procedures at PSU's three hospital pilot sites. All three hospitals had taken reasonable steps to ensure that LEP persons had meaningful access to the program. As a result, we found PSU and its three hospital pilot sites to be in compliance with this requirement.

For the final special condition we reviewed, PSU's Point of Contact (POC) and Financial Points of Contact (FPOC) were to successfully complete an "OJP financial management and grant administration training" within 120 days after the date of the PSU's acceptance of the award. We reviewed PSU's POC and FPOC training record. We found that PSU's staff successfully completed required training within that timeframe.

Award Financial Management

According to the 2015 DOJ Grants Financial Guide, all awardee recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records, and to accurately account for funds awarded to them. To assess PSU's financial management of the award covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether PSU adequately safeguarded the award funds we audited.

We also reviewed PSU's Single Audit Reports for Years 2016 through 2018 to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of this award, as discussed throughout this report.

Based on our review, we did not identify significant concerns related to award financial management.

Award Expenditures

Between January 1, 2017, and March 31, 2019, PSU expended \$1,143,143 in initial award funds and recorded \$499,035 expenditures for its supplemental award, totaling \$1,642,178. To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. We reviewed documentation,

accounting records, and performed verification testing related to award expenditures. The following sections describe the results of that testing.

Personnel and Fringe Benefits Costs

During our audit period, PSU charged \$653,918 in personnel costs and \$229,753 in fringe benefit costs to the award, totaling \$883,671, or 54 percent of the total initial and supplemental award. Within the personnel category charged to the award, PSU included examiners, investigators, project managers, a clinical nurse and training coordinator, and support staff. As part of our sample, we reviewed 22 payroll transactions totaling \$33,677, which included salary expenditures for 2 non-consecutive pay periods to determine if labor charges were allowable, supported, calculated accurately, properly allocated, and necessary to the award. We also reviewed PSU's fringe benefit expenditures totaling \$192,434 for FYs 2017-2019 (up to December 2018) to determine if fringe benefits were allowable, supported, calculated accurately, properly allocated, and necessary to the award.

Based on our review, we found that PSU's personnel and fringe benefit costs for the periods we tested were allowable, supported, calculated accurately, properly allocated, and necessary to the award.

Supply Costs

In its award budget, PSU included costs for supplies that was to include equipment to be used in the SAFE-T Center and pilot site hospitals. As of March 31, 2019, PSU charged \$153,069 in supplies to the initial and supplemental award. During our audit, we tested a sample of nine transactions for lens development, a medical exam table, medical and laboratory supplies, and computer equipment totaling \$79,418 from Award Number 2016-NE-BX-K001.¹ We also reviewed PSU's procurement practices it applied to acquire these supplies. We determined the costs were allowable and appropriately supported.

Contractor and Consultant Costs

During our audit period, PSU charged \$67,778 in contractor and consultant costs to the initial and supplement award. As part of our sample, we reviewed five transactions totaling \$34,288, which consisted of payments to three consultants and one contractor, to determine if the charges were allowable, supported, calculated accurately, properly allocated, and necessary to the award. In our sample, we found these services were generally for training and advisory board review, program coordination, marketing, design, and consulting. We also reviewed PSU's procurement practices it applied to acquire these services. Based

¹ PSU created custom technological solutions to achieve a sustainable price in order to place equipment in the field. PSU could not find a lens on the market that met its specifications and required an engineer to design a lens that could meet their needs. During forensic exams, these lens are used to assist in the colposcopy.

on our testing of the consultant and contractor expenditures, we determined the expenditure samples reviewed were allowable and supported.

Travel Costs

Travel expenses are allowable costs when conducting award-related business as long as the expenses are reasonable and in accordance with a recipient's established travel policy. If no travel policy exists, a recipient must comply with Federal Travel Regulations. As of March 31, 2019, PSU charged \$56,348 in travel costs to Award Number 2016-NE-BX-K001. The travel costs were for conference attendance, travel to advisory board meetings, and travel to examiner training. During our audit, we tested a sample of 11 transactions totaling \$12,097. We determined the costs were allowable and supported.

Indirect Costs

Indirect costs are expenses of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. Non-Federal entities can use an indirect cost rate that was approved by a Federal awarding agency for all Federal awards provided the rate is current and based on an acceptable allocation method. PSU had approved indirect cost rates for the award in our audit. As of March 31, 2019, PSU charged \$480,273 in indirect costs to the award. We determined that PSU used the proper approved rates for each fiscal year in the award, used a correct indirect base, and calculated the indirect cost accurately.

Budget Management and Control

According to the 2015 DOJ Grants Financial Guide, an award recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the award recipient must initiate a Grant Adjustment Notice for any budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared award expenditures to the approved budgets to determine whether PSU transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the 2015 DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. According to PSU officials, drawdown requests were made monthly on a reimbursement basis. As of March 2019, PSU drawdown requests totaled \$1,530,135. To assess whether PSU managed award receipts in accordance with federal

requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

During this audit, we did not identify significant deficiencies related to PSU's process for developing drawdown requests.

Federal Financial Reports

According to the 2015 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. As of December 31, 2018, PSU submitted nine Federal Financial Reports (FFR) for Award Number 2016-NE-BX-K001. To determine whether PSU submitted accurate FFRs, we compared two reports to PSU's accounting records. Based on our testing, we determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records. We also determined that the indirect expenses were calculated accurately.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we concluded that, PSU generally managed the award that we reviewed appropriately, and demonstrated adequate progress towards achieving the award's stated goals and objectives. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the cooperative agreement. Therefore, we make no recommendations.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the awardee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This was an audit of the Office of Justice Program Office for Victims of Crime cooperative agreement awarded to the Pennsylvania State University (PSU) under the Pennsylvania Sexual Assault Forensic Examination and Training Center. As of March 31, 2019, PSU had drawn down \$1,530,135 of the total funds awarded. Our audit concentrated on, but was not limited to September 30, 2016, the award date for Award Number 2016-NE-BX-K001 through September 25, 2019, the last day of our audit work. Award number 2016-NE-BX-K001 was ongoing during our audit.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of PSU's activities related to the audited award. We performed sample-based audit testing for award expenditures including payroll and fringe benefit, supplies, consultant and contractor, travel expenses, indirect cost as well as financial reports, drawdowns, special conditions, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the award reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2015 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 as well as PSU's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

We discussed our audit results with PSU officials throughout the audit and at a formal exit conference. We also provided PSU a draft of our report and allowed them an opportunity to respond, but PSU opted not to provide a written response. OJP provided a written response, which can be found in Appendix 2.

APPENDIX 2

U.S. DEPARTMENT OF JUSTICE OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice


Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

DEC 16 2019

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia 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 Award to Pennsylvania State University, State College, Pennsylvania*

This memorandum is in response to your correspondence, dated November 19, 2019, transmitting the subject draft audit report for Pennsylvania State University. The draft audit report does not contain any recommendations directed to the Office of Justice Programs (OJP). OJP has reviewed the draft audit report and does not have any comments.

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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