



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the Colorado
Division of Criminal Justice to the
Rose Aodom Center,
Denver, Colorado



AUDIT DIVISION

23-072

MAY 2023



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Colorado Division of Criminal Justice to the Rose Amond Center, Denver, Colorado

Background

The U.S. Department of Justice (DOJ) Office of Justice Programs (OJP) provided funds to the Colorado Division of Criminal Justice (CDCJ) to make subawards to support victim assistance programs in the state of Colorado. CDCJ awarded \$465,075 in crime victim assistance funds to the Rose Amond Center (RAC) under one subaward in 2018. The purpose of RAC's subaward, provided by CDCJ, was to provide services to victims of domestic violence in the Denver area. In total, CDCJ reimbursed RAC for a cumulative amount of \$456,184 for the subaward we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how RAC used Victims of Crime Act (VOCA) funds to assist crime victims and assess whether it accounted for these funds in compliance with award requirements, terms, and conditions.

Summary of Audit Results

We concluded that RAC provided services to victims of crime in Denver, Colorado. However, we found that RAC should establish or enhance grant financial management policies to ensure effective subaward management. We also identified \$6,950 in unsupported costs.

Program Performance Accomplishments

The audit concluded RAC provided victims access to transportation, translation, and counseling services, which adequately addressed the goals and objectives of the subaward.

Financial Management

The audit concluded RAC should improve its accounting practices to properly account for subawarded VOCA funds. Specifically, we determined RAC should strengthen its policies and procedures to ensure accurate financial reporting and accurate tracking of indirect costs. RAC should also develop and implement policies and procedures to ensure its ridesharing account is effectively safeguarded. Finally, we identified \$6,950 in unsupported questioned costs.

Recommendations

Our report contains four recommendations to CDCJ and OJP to assist RAC in improving its award management and administration. We requested a response to our draft audit report from RAC, CDCJ, and OJP officials, and respectively incorporated their responses in Appendices 3, 4, and 5. Our analysis of those responses can be found in Appendix 6.

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Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by the Rose Andom Center (RAC), which is located in Denver, Colorado. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Colorado Division of Criminal Justice (CDCJ), which serves as the State Administering Agency (SAA) for Colorado to make subawards to direct service providers. As a direct service provider, RAC received a subaward from CDCJ totaling \$465,075 in November 2018. These funds originated from CDCJ's Fiscal Year 2016, 2017, and 2018 federal grants, as shown in Table 1.

Table 1

Audited Subaward to RAC from CDCJ

Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
2018-VA-19-162-02	2016-VA-GX-0070	01/01/2019	12/31/2020	\$155,025
	2017-VA-GX-0037			\$213,159
	2018-V2-GX-0050			\$96,891
Total				\$465,075

Source: CDCJ

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund (CVF) is used to support crime victims through DOJ programs and state and local victim assistance and compensation initiatives.¹ According to OJP's program guidelines, victim assistance services eligible to receive VOCA support must: (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. Direct service providers receiving VOCA victim assistance subawards thus may provide a variety of support to victims of crime, to include offering help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

¹ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress.

Rose Andom Center

RAC is a 501(c)(3) non-profit organization located in Denver, Colorado. According to RAC, its mission is to improve the lives of domestic violence victims by facilitating better access to services and staff of community organizations and government agencies in a single, safe location. RAC was founded in 2016 and has been a subrecipient of VOCA grants since that time. RAC's services include advocacy, children's services, civil legal, criminal legal, medical, self-sufficiency, and counseling.

OIG Audit Approach

The objective of this audit was to review how RAC used the VOCA funds received through a subaward from CDCJ to assist crime victims and assess whether RAC accounted for VOCA funds in compliance with award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and financial management.

To gain a further understanding of victim assistance subaward oversight, as well as to evaluate subrecipient performance and administration of VOCA-funded programs, we solicited feedback from CDCJ officials regarding RAC's records related to delivering crime victim services, accomplishments, and compliance with CDCJ award requirements.² The officials did not express any concerns with RAC's ability to provide services to victims of crime or compliance with award requirements.

We tested compliance with what we considered to be the most important conditions of the subawards. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; CDCJ guidance; and the OVC and CDCJ award documents contain the primary criteria we applied during this audit.

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

² As an SAA, CDCJ is responsible for monitoring the performance of, providing technical assistance to, collecting data from, and processing victim assistance reimbursements requested by the RAC. As such, we considered the results of our audit of victim assistance grants awarded to CDCJ in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Colorado Division of Criminal Justice, Lakewood, Colorado](https://oig.justice.gov/reports/audit-office-justice-program-victim-assistance-grants-awarded-colorado-division-criminal-justice-lakewood-colorado), Audit Report 21-010 (December 2020), <https://oig.justice.gov/reports/audit-office-justice-program-victim-assistance-grants-awarded-colorado-division-criminal>

Audit Results

Program Performance and Accomplishments

As established by the VOCA legislation, VOCA subawards are available to subrecipients for the purpose of providing direct services to victims. RAC received its VOCA funding from CDCJ to provide victims of crime with access to domestic violence services through on-site community organizations and government agencies in one location. We obtained an understanding of RAC's standard operating procedures in relation to the subaward-funded services. We also compared the subaward solicitation, project application, and subaward agreement against available evidence of accomplishments to determine whether RAC provided the services for which it was funded. Overall, we concluded that RAC adequately addressed the goals and objectives of the subaward we audited, as detailed below.

Program Implementation

According to the DOJ Grants Financial Guide, recipients of federal awards should maintain a well-designed and tested system of internal controls. The DOJ Grants Financial Guide further defines internal controls as a process designed to provide reasonable assurance regarding the achievement of objectives in: (1) the effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations.

To obtain an understanding of its standard operating procedures in relation to audited victim services, we conducted interviews with the RAC Executive Director and the RAC Finance and Operations Director and reviewed documentation supporting subaward activities. We also requested and reviewed RAC's written policies and procedures that govern the administration of the VOCA-funded program. We determined that RAC's policies provide comprehensive coverage of the victim intake process, needs assessment, and referrals.

However, we noted that RAC's operations manual does not include policies and procedures to ensure that RAC's ridesharing account, which is paid for with subaward funds, is effectively safeguarded against unauthorized use. Such policies should include, but may not be limited to, conducting periodic reviews to ensure the account is being used only for official purposes and ensuring protocols are in place to terminate account access if a staff member ends their employment with RAC. Therefore, we recommend that OJP and CDCJ coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

Program Services

According to the objectives of the subaward, RAC was to provide victims with access to domestic violence counseling and advocacy, health and mental health services, crisis intervention, civil legal support, law enforcement services, job readiness, and housing services. To provide this access, RAC employed Intake Specialists who are the first point of contact with all victims, provided transportation to locations such as the local hospital, funded website translation services, and provided training to staff. To verify RAC provided these services we interviewed key staff, and reviewed: (1) expenditures including transportation services such as ridesharing and bus passes, (2) contracts and expenditures related to language translation, (3) wages paid to staff, and (4) RAC's programmatic policies and procedures. Overall, we concluded that RAC had provided these services as part of the subaward program and had directed clients toward services with partnering agencies.

Financial Management

According to the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We conducted interviews with RAC officials, examined policies and procedures, reviewed subaward documents, and performed expenditure testing to determine whether RAC adequately accounted for the subaward funds we audited. Overall, we noted areas for improvement in RAC's financial management policies and identified \$6,950 in unsupported costs.

Subaward Expenditures and Matching Costs

RAC requested payment from CDCJ via quarterly reimbursements. For the subaward we audited, RAC's approved budget included personnel and fringe benefits, travel, supplies, contracts, and indirect costs. As of March 2021, we found that CDCJ paid a total of \$456,184 to RAC with VOCA funds for costs incurred in these areas.

We reviewed a sample of RAC's transactions to determine whether the costs charged to the project and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected a sample of 25 transactions and two non-consecutive pay periods totaling \$27,558. We also reviewed \$42,287 of indirect costs charged to the subaward. Finally, we verified RAC's provision of matching funds.

As described below, we found issues in the area of other costs and questioned a total of \$6,950 in unsupported costs. Unless noted below, the transactions tested were allowable and adequately supported.

Personnel Costs

The largest cost area for which RAC received reimbursement was personnel costs. We determined that CDCJ reimbursed RAC \$341,987 of the total \$456,184 (approximately 75 percent of total reimbursements) for personnel and associated fringe benefit costs for the subaward we audited. We judgmentally sampled two non-consecutive pay periods and tested all salary and fringe charged to the subaward during those periods, which totaled \$15,926. We determined that all salary and fringe benefit costs that we reviewed were allowable and supported.

Other Costs

To test other costs charged to the subaward, we selected a sample of 25 transactions from RAC's accounting records. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documentation. We determined that 20 of 25 transactions tested were allowable and supported; however, we identified 5 transactions that were unsupported because they lacked invoices and receipts, resulting in \$1,196 in unsupported other direct questioned costs.

In addition, we found that RAC utilized the de minimis indirect cost rate of 10 percent of direct costs. We reviewed accounting records and found that RAC's direct cost expenditures totaled \$409,482. However, indirect costs were not consistently recorded in RAC's accounting records.³ Instead, we were provided a separate ledger for indirect costs totaling approximately \$42,287. Because RAC used the de minimis 10 percent indirect cost rate, RAC was only eligible for \$40,948 in indirect cost reimbursements (10 percent of total direct costs), resulting in an excess of \$1,339 in reimbursement for indirect costs. Given this excess, we assessed whether RAC's total reimbursement from CDCJ exceeded RAC's total subaward expenditures, as calculated by the sum of the direct expenditures recorded in RAC's accounting system plus the eligible indirect cost allowance. According to this calculation, RAC's total supported grant expenditures, direct and indirect, was \$450,430 as of December 31, 2020. As of March 2, 2021, RAC had received reimbursement for \$456,184, which exceeded total grant expenditures by \$5,754. We recommend that OJP and CDCJ coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.

Further, as noted above, RAC maintained its indirect costs transactions in a separate account, and only journaled those costs into the official grant accounting records on one occasion. To ensure RAC's future indirect costs are fully supported, we recommend that OJP and CDCJ coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.

Fiscal Policies and Procedures

RAC uses common accounting software with appropriate controls and an audit trail. In addition, RAC has implemented appropriate policies and procedures ensuring adequate segregation of duties over subaward expenditures. However, CDCJ's policies state that the expenditures of grant funds and matching funds as reported must reconcile to the agency's general ledger. We determined that all eight financial reports submitted by RAC to CDCJ for the subaward in our audit review period did not reconcile to expenditures in the general ledger. While the differences were generally minor, we determined that RAC's policies and procedures do not address ensuring the accuracy of financial reports submitted to CDCJ. As a result, we recommend OJP and CDCJ coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.

³ RAC recorded indirect costs in the general ledger for one of the eight grant reporting periods.

Matching Requirement

VOCA Guidelines generally require that subrecipients match 20 percent of each subaward unless OVC waived this requirement. The purpose of this requirement is to increase the amount of resources available to VOCA projects, prompting subrecipients to obtain independent funding contributions to help ensure future sustainability. Match contributions must come from non-federal sources and can be either cash or in-kind match.⁴ The SAA has primary responsibility for ensuring subrecipient compliance with the matching requirements.



As previously noted, the start date for this subaward was January 1, 2019. RAC met a portion of the original match requirement between January 2019 and July 2020 through donated building space (a portion of which is shown in the image above) and volunteer hours. However, in July 2020 CDCJ waived the remaining match requirement due to the COVID-19 pandemic.⁵ To review the provision of matching funds reported from January 2019 to July 2020, we reviewed RAC's lease agreement and building valuation. We determined that the valuation for 1 year of in-kind rent and office space was sufficient and exceeded the total reported match.

A portion of the building space used to meet RAC's match requirement. RAC is equipped to accommodate children while a victimized parent goes through the intake process. Photo source: OIG

⁴ In-kind matches may include donations of expendable equipment, office supplies, workshop or classroom materials, workplace, or the value of time contributed by those providing integral services to the funded project.

⁵ The VOCA Fix to Sustain the Crime Victims Fund Act of 2021, Pub. L. No. 117-27, § 3, 135 Stat. 302, authorized states to waive subrecipient match requirements during national emergencies or pandemics.

Conclusion and Recommendations

As a result of our audit testing, we concluded that RAC adequately achieved the goals and objectives of the subaward. However, we determined RAC should: (1) update its policies and procedures to ensure the ridesharing account is effectively safeguarded, (2) strengthen its policies and procedures to ensure accurate financial reporting, and (3) ensure indirect costs are accurately recorded in RAC's official grant records. Finally, we identified \$6,950 in unsupported costs. We provide four recommendations to OJP and CDCJ to address these deficiencies.

We recommend that OJP and CDCJ:

1. Coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.
2. Coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.
3. Coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.
4. Coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how the Rose Andom Center (RAC) used the subaward to assist crime victims and assess whether it accounted for Victims of Crime Act (VOCA) funds in compliance with award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and grant financial management.

Scope and Methodology

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

This was an audit of one subaward to RAC. This subaward, totaling \$465,075, was funded by the Colorado Division of Criminal Justice (CDCJ) from primary VOCA grants 2016-VA-GX-0070, 2017-VA-GX-0037, and 2018-V2-GX-0050 awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of March 2021, CDCJ reimbursed RAC \$456,184 in subaward funds.

Our audit concentrated on, but was not limited to, January 2019 through March 2021. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; CDCJ guidance; and the OVC and CDCJ award documents contain the primary criteria we applied during this audit.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of RAC's activities related to the audited subaward. Our work included conducting interviews with RAC financial staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for personnel and fringe benefits, travel, supplies, contracts, indirect costs, and match costs. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subaward reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from DOJ's JustGrants System and OJP's Grant Management System. We did not test the reliability of those systems as a whole, and therefore any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of RAC to provide assurance on its internal control structure as a whole. RAC's management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on RAC's internal control structure as a whole, we offer this statement solely for the information and use of RAC, CDCJ, and OJP.⁶

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of RAC policies and procedures. We also tested the implementation and operating effectiveness of specific controls over subaward execution and compliance with laws and regulations in our audit scope.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁶ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	OJP Prime Award Number	Subaward Identifier	Amount	Page
Questioned Costs:⁷				
Unsupported Other Direct Costs	2016-VA-GX-0070 2017-VA-GX-0037 2018-V2-GX-0050	2018-VA-19-162-02	\$1,196	5
Unsupported Costs Reimbursed in Excess of Total Expenditures	2016-VA-GX-0070 2017-VA-GX-0037 2018-V2-GX-0050	2018-VA-19-162-02	<u>5,754</u>	5
Unsupported Costs			\$6,950	
TOTAL DOLLAR-RELATED FINDINGS			<u>\$6,950</u>	

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

APPENDIX 3: Rose Andom Center Response to the Draft Audit Report



April 16, 2023

Ms. Kimberly L. Rice
Regional Audit Manager

Cc: Ms. Linda J. Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division

Cc: Ms. Kelly Kissell
Manager, Colorado Division of Criminal Justice
Office for Victims Programs
700 Kipling, Suite 1000
Lakewood, Colorado 80215

Dear Ms. Rice,

I have received and reviewed the findings from the Office of Inspector General's draft audit report of Rose Andom Center's VOCA funds awarded from the CDCJ from 1/1/2019 through 12/31/2020 (2018-VA-19-162-02). Our response to the findings and recommendations from the draft audit are as follows.

Recommendation #1. Coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

We do not dispute this recommendation and will work with the CDCJ to develop written policies to provide appropriate accountability of the ridesharing account. The audit noted that the Rose Andom Center's Operations Manual did not include policies and procedures regarding the ridesharing account and recommends that staff conduct a periodic review to ensure appropriate usage of the account, and that there is a process for terminating account access if a staff member is no longer employed at the Rose Andom Center. Ridesharing services have been important to help ensure victim access to services, particularly to help mitigate additional barriers to services during COVID. The Rose Andom Center has established policy regarding who has access to the account, what documentation is necessary for use, and does regularly review the rideshare account to determine appropriate use of the service in assisting clients and monitor that use remains within the projected budget. When staff leave employment at the Rose Andom Center, they are removed from the rideshare account. However, these practices have not been incorporated into our written staff policies. We will work with the CDJC to ensure this update is completed in our Operations Manual and other staff policy documents.

Recommendation #2. Coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.



Rose Andom Center

One Place. Immeasurable Hope.

We do not dispute this recommendation and will work with CDCJ to remedy the \$6,950 in unsupported costs - \$1,196 in direct costs for which we did not have receipts at the time of the audit, and \$5,754 in indirect costs that were in excess of total expenditures.

Recommendation #3. Coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.

We do not dispute this recommendation and have changed our practice of how indirect costs are calculated and tracked in subsequent grants periods since 2020. The Rose Andom Center uses the 10% de minimis rate for indirect costs, which is 10% of direct costs. We will work with the CDJC to ensure that we are accurately billing the indirect rate and accounting for those costs in our records.

Recommendation #4. Coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.

The draft audit found generally minor inconsistencies between the financial reports submitted to the CDJC and Rose Andom Center's general ledger. I can neither concur with nor dispute this finding but will commit to working with CDCJ to ensure the Rose Andom Center's financial policies and procedures ensure that the grant financial reports reconcile to the expenses in the general ledger. During the time period the OIG's audit occurred, our Finance and Operations Director position was in transition, and due to the staff vacancy, the Executive Director made every effort to provide the appropriate information requested. A new Finance and Operations Director began in early January 2023, and will be able to better address how expenses are tied to the general ledger and enhance policies and practices if needed, to ensure accuracy going forward.

I look forward to further communication with OJP and CDCJ to fully address and resolve any recommendations put forth in the final audit report. The Rose Andom Center is committed to complying with all financial and programmatic requirements of grant funding and makes every effort to have policies and practices to support full compliance.

Sincerely,

Margaret Abrams, M.A.
Executive Director
720-337-4475

APPENDIX 4: Colorado Division of Criminal Justice Response to the Draft Audit Report



Office for Victims Programs
700 Kipling Street, Suite 1000
Lakewood, CO 80215

April 21, 2023

Ms. Kimberly L. Rice
Regional Audit Manager
US Department of Justice
Office of the Inspector General
Denver Regional Audit Office
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Dear Ms. Rice,

We have reviewed the draft audit report related to the audit of the funds subawarded by the Colorado Department of Public Safety (CDPS) – Division of Criminal Justice (DCJ) to the Rose Andom Center in Denver, CO. The Colorado Department of Public Safety concurs with the recommendation in the draft audit report.

Recommendation #1: Coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

CDJ concurs with the recommendation and will work with the Rose Andom Center to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

Recommendation #2: Coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.

CDJ concurs with the recommendation and will work with the Rose Andom Center to remedy the unsupported costs in the amount of \$6,950.

Recommendation #3: Coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.



COLORADO
Division of Criminal Justice
Department of Public Safety

CDCJ concurs with the recommendation to work with the Rose Andom Center to ensure indirect costs are accurately accounted for in the Rose Andom Center's VOCA accounting records.

Recommendation #4: Coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.

CDCJ concurs with the recommendation to work with the Rose Andom Center to ensure the financial reports are accurate and supported by the general ledger.

Requested remedy: CDCJ is scheduling a meeting with the director of the Rose Andom Center to work through the recommendations. This will include assisting with the creation and review of a policy regarding ride sharing, a review of their indirect cost procedures, and a future review of quarterly financials to check the indirect cost allocation. In addition, CDCJ will work with the Rose Andom Center regarding the unsupported costs and reimbursement procedures. After our initial meeting, we will set a time line to address all of the recommendations and notify DOJ accordingly.

Thank you for the opportunity to respond to the draft report from the Office of the Inspector General. CDCJ looks forward to the ongoing conversation to close out the recommendation.

Sincerely,

cm=Joe Thome, o=Colorado
Department of Public Safety,
ou=Division of Criminal Justice,
email=joe.thome@state.co.us, c=US
2023.04.18.12:24:28 -0600'

Joe Thome
Director – Division of Criminal Justice
Colorado Department of Public Safety

APPENDIX 5: The 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

April 25, 2023

MEMORANDUM TO: Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Colorado Division of Criminal Justice to the Rose Andom Center, Denver, Colorado*

This memorandum is in response to your correspondence, dated March 27, 2023, transmitting the subject draft audit report for the Rose Andom Center (RAC). RAC received sub-award funds from the Colorado Division of Criminal Justice (CDCJ), under the Office of Justice Programs (OJP), Victims of Crime Act, Victim Assistance Formula Grant Program, Grant Numbers 2016-VA-GX-0070, 2017-VA-GX-0037, and 2018-V2-GX-0050. We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **four** recommendations and **\$6,950** in questioned costs. The following is OJP's 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 and CDCJ coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.**

OJP agrees with the recommendation. In its response, dated April 19, 2023, the CDCJ stated that it will work with RAC to review and implement new policies and procedures, which will include procedures ensuring there are effective safeguards on the ridesharing account.

Accordingly, we will coordinate with the CDCJ to obtain a copy of RAC's written policies and procedures, developed and implemented, to ensure that effective controls are established for its ridesharing account; and the supporting documentation is maintained for future auditing purposes.

2. **We recommend that OJP and CDCJ coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.**

OJP agrees with the recommendation. In its response, dated April 19, 2023, the CDCJ stated that will work with RAC to remedy the \$6,950 in unsupported costs.

Accordingly, we will review the \$6,950 in questioned costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures, and will work with CDCJ to remedy, as appropriate.

3. **We recommend that OJP and CDCJ coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.**

OJP agrees with the recommendation. In its response, dated April 19, 2023, the CDCJ stated that it will work with RAC to ensure that indirect costs are accurately calculated and tracked in its accounting records. In addition, the CDCJ stated that it plans on performing a review of the RAC's quarterly financial records to check the indirect cost allocation.

Accordingly, we will coordinate with the CDCJ to ensure that indirect costs are accurately accounted for in RAC's accounting records; and the supporting documentation is maintained for future auditing purposes.

4. **We recommend that OJP and CDCJ coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.**

OJP agrees with the recommendation. In its response, dated April 19, 2023, the CDCJ stated that it will work with RAC to review and implement new policies and procedures, to ensure that financial reports are accurate and reconciled to expenditures recorded in their general ledger.

Accordingly, we will coordinate with the CDCJ to obtain a copy of RAC's written policies and procedures, developed and implemented, to ensure that financial reports submitted are accurate and fully supported by the general ledger; and the supporting documentation is maintained for future auditing purposes.

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

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OJP Executive Secretariat
Control Number OCOM000225

APPENDIX 6: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP), the Colorado Division of Criminal Justice (CDCJ), and the Rose Amond Center (RAC). OJP's response is incorporated in Appendix 5, CDCJ's response is incorporated in Appendix 4, and RAC's response is incorporated in Appendix 3 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. CDCJ concurred with our recommendations. RAC stated that it did not dispute three of the recommendations and that, as to the fourth recommendation, it neither concurred with nor disputed the recommendation. RAC included planned actions to address all recommendations. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP and CDCJ:

1. Coordinate with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

Resolved. OJP agreed with our recommendation. OJP stated that it will coordinate with the CDCJ to obtain a copy of RAC's written policies and procedures, developed and implemented, to ensure that effective controls are established for its ridesharing account and that supporting documentation is maintained for future auditing purposes.

CDCJ concurred with the recommendation and stated in its response it will work with RAC to develop and implement policies and procedures to ensure the ridesharing account is effectively safeguarded.

RAC stated that it did not dispute this recommendation and stated in its response it will work with CDCJ to develop written policies to provide appropriate accountability of the ridesharing account. RAC stated that it has established a policy regarding who has access to the account and what documentation is necessary for use. RAC also stated that it regularly reviews the ridesharing account to determine appropriate use of the service in assisting clients and monitor that use remains within the projected budget. In addition, RAC stated that when staff leave employment at the RAC, they are removed from the ridesharing account. RAC also stated that while these practices have not been incorporated into its written staff policies, it will work with the CDCJ to ensure this update is completed in the Operations Manual and other staff policy documents.

Based on the response above, we consider this recommendation resolved. This recommendation can be closed when OJP provides evidence that RAC has submitted updated policies and procedures to ensure the ridesharing account is effectively safeguarded.

2. Coordinate with RAC to remedy the \$6,950 in unsupported costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$6,950 in questioned costs, related to \$1,196 in unsupported other direct costs and \$5,754 in unsupported costs reimbursed in excess of total expenditures, and will work with CDCJ to remedy, as appropriate.

CDCJ concurred with the recommendation and stated in its response it will work with RAC to remedy the unsupported costs in the amount of \$6,950.

RAC stated that it did not dispute this recommendation and stated in its response that it will work with CDCJ to remedy the \$6,950 in unsupported costs.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when OJP provides evidence that RAC has remedied the \$6,950 in unsupported costs.

3. Coordinate with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the CDCJ to ensure that indirect costs are accurately accounted for in RAC's accounting records, and that supporting documentation is maintained for future auditing purposes.

CDCJ concurred with the recommendation and stated in its response that it will work with RAC to ensure indirect costs are accurately accounted for in RAC's VOCA accounting records.

RAC stated that it did not dispute this recommendation and noted in its response that it has changed its practice of how indirect costs are calculated and tracked in subsequent grants periods since 2020. RAC also stated that it uses the 10 percent de minimis rate for indirect costs, which is 10 percent of direct costs. In addition, RAC stated that it will work with the CDCJ to ensure that it is accurately billing the indirect rate and accounting for those costs in its records.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when OJP provides evidence that RAC has accurately accounted for indirect costs in RAC's VOCA accounting records.

4. Coordinate with RAC to ensure that financial reports submitted are accurate and fully supported by the general ledger.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the CDCJ to obtain a copy of RAC's written policies and procedures, developed and

implemented, to ensure that financial reports submitted are accurate and fully supported by the general ledger, and that supporting documentation is maintained for future auditing purposes.

CDCJ concurred with the recommendation and stated in its response it will work with RAC to ensure the financial reports are accurate and supported by the general ledger.

RAC stated that it neither disputed nor concurred with this recommendation and further stated that, during the time period the OIG's audit occurred, its Finance and Operations Director position was in transition, and due to the staff vacancy, the Executive Director made every effort to provide the appropriate information requested. RAC also stated that a new Finance and Operations Director began in early January 2023, and will be able to better address how expenses are tied to the general ledger and enhance policies and practices if needed, to ensure accuracy going forward.

Based on the responses outlined above, we consider this recommendation resolved. This recommendation can be closed when OJP provides evidence that RAC has submitted accurate and fully supported financial reports.