



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the
Colorado Division of Criminal Justice to
Ralston House,
Arvada, Colorado



AUDIT DIVISION

24-061

APRIL 2024



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Colorado Division of Criminal Justice to Ralston House, Arvada, 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 \$2,515,460 in crime victim assistance funds to Ralston House under two subawards from January 2021 through December 2024. The purpose of Ralston House's subawards was to support the salaries and benefits of Forensic Interviewers and Victim Advocates who provide advocacy services to victims of crimes against children. As of November 2023, CDCJ had reimbursed Ralston House a cumulative amount of \$1,611,186 for the subawards we reviewed.

Audit Objective

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

Summary of Audit Results

We concluded that Ralston House provided child advocacy services including forensic interviews and medical examinations to victims of crimes against children in Arvada, Colorado. However, we found that Ralston House could improve certain areas of its subaward management, including enhancing its financial management and developing and implementing financial procedures.

Program Performance Accomplishments

The audit concluded that Ralston House provided advocacy services to victims of crimes against children and adhered to and demonstrated adequate progress toward achieving its stated goal and objectives of providing a coordinated multidisciplinary response to child victims. The audit also found that Ralston House had adequate internal controls in place to appropriately deliver child advocacy services.

Financial Management

The audit concluded that Ralston House did not evaluate whether allocations for personnel costs were aligned with the actual time that personnel spent on subaward activities. Further, we identified deficiencies within Ralston House's accounting system used to manage its subaward expenditures.

Recommendations

Our report contains two recommendations for OJP to work with CDCJ to assist Ralston House in improving its subaward management and administration. We provided our draft audit report to Ralston House, CDCJ, and OJP, and their responses can be found in Appendices 2, 3, and 4, respectively. Our analysis of those responses can be found in Appendix 5.

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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 Ralston House, which is located in Arvada, 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 for Colorado and makes subawards to direct service providers. As a direct service provider, Ralston House received two subawards from CDCJ, totaling \$2,515,460, in January 2021 and January 2023. These funds originated from CDCJ's federal grants for fiscal years (FY) 2018, 2019, 2020, 2021, and 2022, as shown in Table 1.

Table 1

Audited Subawards to Ralston House from CDCJ

CDCJ Subaward Identifier	OJP Prime Award Numbers	Project Start Date	Project End Date	Subaward Amount
2020-VA-21-447-01	2018-V2-GX-0050 2019-V2-GX-0027	01/01/2021	12/31/2022	\$1,278,905 ^a
2022-VA-23-261-01	2020-V2-GX-0024 15POVC-21-GG-00614-ASSI 15POVC-22-GG-00711-ASSI	01/01/2023	12/31/2024	\$1,236,555
Total:				\$2,515,460

^a Ralston House's original subaward was for \$1,278,905, but because Ralston House only requested \$1,203,513 in reimbursement, CDCJ deobligated the remaining \$75,392 from the subaward.

Source: JustGrants, CDCJ, and Ralston House.

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 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.

Ralston House

Ralston House is a not-for-profit organization whose mission is to provide services to child and teen survivors of abuse. Ralston House was founded in 1990 and has been a subrecipient of VOCA grants since 2009. Ralston House provides advocacy services such as forensic interviews and medical examinations to child victims of abuse. Ralston House currently has four locations where they provide services to victims in Colorado, including the city of Arvada.

Ralston House receives referrals from law enforcement, social services, and district attorneys, and works in conjunction with these entities to provide specialized forensic interviews and medical examinations. These interviews aid Ralston House partners in their investigations when there is an incident of alleged or suspected abuse of a child. According to Ralston House, it conducted 1,297 forensic interviews of suspected child victims of abuse and witnesses to crimes, including 105 children and youth who also received pediatric sexual assault medical examinations conducted at Ralston House by its bilingual child abuse pediatrician in 2021.

OIG Audit Approach

The objective of this audit was to review how Ralston House used VOCA funds received through two subawards from the CDCJ to assist crime victims and assess whether it accounted for these funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and grant 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 Ralston House's records of delivering crime victim services, accomplishments, and compliance with CDCJ award requirements.²

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's Administrative Guide for Federal Grant Programs and VOCA Matching Funds Requirement and Waiver Policy; 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.

² As a state administering agency, CDCJ is responsible for ensuring that Ralston House's subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subawards; and that the subawards performance goals are achieved. 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 Program 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), 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. Ralston House received its VOCA funding from CDCJ to support salaries and benefits for Forensic Interviewers and Family Support Advocates (Victim Advocates) who provide services to victims of crimes against children. We obtained an understanding of Ralston House's standard operating procedures in relation to the subaward-funded services. We also compared the subaward applications and subaward agreements against available evidence of accomplishments to determine whether Ralston House demonstrated adequate progress towards providing the services for which it was funded. Overall, we concluded that Ralston House adhered to and demonstrated adequate progress toward achieving the stated goals and objectives of its subawards and provided child advocacy services to victims of crime.

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 relevant Ralston House personnel, including the Executive Director. We also requested and reviewed Ralston House's written policies and procedures that govern the VOCA-funded program. Based on our interviews and the policies and procedures reviewed, we concluded that Ralston House had adequate internal controls in place to deliver child advocacy services.

Program Services

According to the goal of the subawards, Ralston House was to provide a coordinated multidisciplinary response to child victims of abuse in the 1st and 17th judicial districts through a coordinated multidisciplinary team (MDT) effort. To achieve its goal, Ralston House: (1) planned to have the MDT meet a minimum of 24 times in the grant funding period to review difficult cases in the targeted districts, (2) coordinated 12 trainings for MDT partners during the grant period, and (3) implemented victim service statistical goals. To verify Ralston House's progress towards meeting the goal of the subawards, we interviewed Ralston House officials, visited one of the four locations, confirmed multiple metrics within three performance reports, and reviewed case files and satisfaction surveys. Based on our observations and analysis, we concluded that Ralston House provided services to victims of crime.

Financial Management

To determine whether Ralston House adequately accounted for the subaward funds we audited, we conducted interviews with Ralston House's Executive Director and Deputy Director of Finance, examined policies and procedures, reviewed subaward documents, and performed expenditure testing. Overall, we

identified concerns with how Ralston House accounted for subaward expenditures and allocated personnel costs.

Subaward Expenditures

Ralston House requested reimbursement from the CDCJ every quarter via CDCJ's grant management system. For the subawards audited, Ralston House's approved budgets included personnel and indirect expenditures. As of November 2023, CDCJ reimbursed a total of \$1,611,186 to Ralston House with VOCA funds for costs incurred in these areas.³ We selected a judgmental sample of \$262,207 in personnel and indirect expenditures charged to the subawards to determine whether the costs charged to the projects and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. As described below, we identified issues in our review of personnel costs. The remaining expenditures tested, consisting of indirect costs, were allowable and supported.

Personnel Costs

Ralston House received reimbursement for personnel costs, which was the only type of direct cost in the approved subaward budgets. Specifically, from January 2021 through November 2023, CDCJ reimbursed Ralston House \$1,460,386 in personnel costs. We reviewed the personnel costs charged to each subaward in their entirety and judgmentally sampled two non-consecutive pay periods each year for the 2020 subaward and one pay period from the 2022 subaward, which included 43 individual bi-weekly employee payments, totaling \$115,735 in salary and fringe benefit costs.

To calculate personnel costs, every quarter a Ralston House official obtained a personnel expense report from the city's accounting system. That Ralston House official manually recorded these personnel expenses into a spreadsheet before calculating the VOCA-specific personnel and fringe benefits charges using the percentages included in its approved budgets. Based on the supporting documentation reviewed, we found that each employee charged their time to specific projects on timesheets, including actual time spent on VOCA. However, we determined that Ralston House did not review or evaluate if the allocations charged to the subawards (as established in the approved subaward budget) aligned with the actual time spent on subaward activities, as recorded by employees using timesheets. This resulted in several instances where requests for reimbursement submitted to CDCJ—which were developed using the budgeted personnel percentages—did not reconcile to the actual level of effort recorded in available Ralston House timesheets. Within our sample of personnel expenditures there were instances of both under and overcharging of personnel costs when comparing the charges to the supporting timesheets.⁴

The Uniform Guidance, 2 C.F.R. § 200.430, indicates that salaries and wages must be based on records that accurately reflect the work performed and these records must be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. In addition, while a grant recipient may rely on budget estimates or other distribution percentages determined for preliminary or interim accounting purposes, such estimates cannot be used to support charges to

³ Following guidance from the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, the Colorado Department of Criminal Justice (CDCJ) allowed its subrecipients to receive a waiver of the requirement to provide matching funds. We confirmed that Ralston House did receive a waiver which was in place for the life of these subawards.

⁴ We did not question costs related to our testing of personnel expenditures because we identified instances where Ralston House requested less reimbursement than the amount for which it was eligible.

federal awards without reconciling after-the-fact charges; if a grant recipient allocates employee time across multiple projects, it must support the distribution of the employee's salary or wages among the specific activities or cost objectives. Ultimately, a grant recipient needs to provide a reasonable approximation of time spent on grant-related activities, which must be periodically reviewed for accuracy and any significant changes in time be promptly adjusted. If Ralston House had charged its personnel costs based on actual time spent from the timesheets, it could have reduced the risk of overcharging its VOCA subawards. Therefore, we recommend that OJP work with CDCJ to ensure Ralston House develops and implements written policies and procedures to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.

Fiscal Policies and Procedures

According to the DOJ Grants Financial Guide, all recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. Recipients must have a financial management system in place that is able to: (1) record and report on the receipt, obligation, and expenditure of grant funds; (2) collect and report financial data for planning, controlling, measuring, and evaluating direct and indirect costs; and (3) track project cost by budget category. If the recipient's or subrecipient's automated general ledger accounting system cannot comply with this requirement, a system should be established to adequately track funds according to each budget category.

The city of Arvada provides finance, budgeting, and accounting support for Ralston House. As such, Ralston House is required to abide by all city policies including those related to financial and personnel management. However, neither the city nor Ralston House had established written policies and procedures specific to subaward expenditures. During our audit, we found that Ralston House did not identify the VOCA salary, fringe benefits, or indirect expenses within its accounting system, but instead used spreadsheets for tracking the VOCA-specific financial activity that contained inaccuracies. By not maintaining accurate records to track subaward expenditures, Ralston House risks not being able to accurately account for and report on its subaward spending, and as discussed, may cause it to receive less federal funding than it is entitled to receive due to manual data entry errors. Ralston House officials acknowledged that its current accounting system has limitations, including a lack of a grants module. They also explained that they are in the process of moving to a new accounting system with a grant module.

Therefore, we recommend that OJP work with CDCJ to ensure that Ralston House maintains an adequate accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.

Conclusion and Recommendations

As a result of our audit testing, we concluded that Ralston House adhered to and demonstrated achievement of the goals and objectives of its subawards and provided child advocacy services to victims of crime. We also concluded that Ralston House had adequate internal controls in place to appropriately deliver child advocacy services. However, we found that Ralston House used predetermined percentages to allocate and charge salary and fringe benefit costs to the subawards and did not evaluate if the allocations were aligned with the actual time that personnel spent on subaward activities. We also identified deficiencies within Ralston House's accounting system used to manage its subaward expenditures. We provide two recommendations to OJP to work with CDCJ to address these deficiencies.

We recommend that OJP work with CDCJ to:

1. Ensure Ralston House develops and implements written policies and procedures to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.
2. Ensure that Ralston House maintains an adequate accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how Ralston House used the Victims of Crime Act (VOCA) funds received through two subawards from the Colorado Division of Criminal Justice (CDCJ) to assist crime victims and assess whether it accounted for these funds in compliance with select 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 two subawards to Ralston House, 2020-VA-21-447-01 (2020 subaward) and 2022-VA-23-261-01 (2022 subaward). These subawards, totaling \$2,515,460, were funded by CDCJ from primary VOCA grants 2018-V2-GX-0050 and 2019-V2-GX-0027 for the 2020 subaward and 2020-V2-GX-0024, 15POVC-21-GG-00614-ASSI, and 15POVC-22-GG-00711-ASSI for the 2022 subaward.⁵ These federal awards were awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of November 2023, CDCJ had reimbursed Ralston House \$1,611,186 in subaward funds.

Our audit concentrated on, but was not limited to, the period of January 2021 through November 2023. The Department of Justice (DOJ) Grants Financial Guide; the 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 the audit.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of Ralston House's activities related to the audited subawards. Our work included conducting interviews with Ralston House's financial staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for subaward expenditures including payroll and fringe benefit charges and performance data. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subawards reviewed. This nonstatistical 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, commercial grant software used by CDCJ, and Performance Measures Tool reports. Through Ralston House, we obtained information through their internal databases for timesheets, paystubs, and consumer satisfaction reports. These

⁵ Ralston House's original 2020 Subaward was for \$1,278,905, but because Ralston House only requested \$1,203,513 in reimbursement, CDCJ deobligated the remaining \$75,392 from the subaward.

systems are specific and relevant 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.

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 Ralston House to provide assurance on its internal control structure as a whole. Ralston House's management is responsible for the establishment and maintenance of internal controls in accordance with Uniform Guidance (2 CFR 200). Because we do not express an opinion on Ralston House's internal control structure as a whole, we offer this statement solely for the information and use of Ralston House and DOJ OIG.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 Ralston House's 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: Ralston House Response to the Draft Audit Report



April 1, 2024

Kimberly Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln St, Suite 1500
Denver, Colorado 80203

Dear Ms. Rice

Ralston House is in receipt of the draft audit report on the Office of Justice Program (OJP) victim assistance grant funds sub awarded to the Ralston House by the Colorado Division of Criminal Justice (CDCJ). Please see our responses below to the two comments.

1. Ralston House used predetermined percentages to allocate and charge salary and fringe benefit costs to the subawards and did not evaluate if the allocations were aligned with the actual time that personnel spend on subaward activities.
2. Identified deficiencies within Ralston House's accounting system used to manage its subaward expenditures.

Ralston House accepts these two comments and is working on corrective action. The current accounting system is limited in the ability to record and charge employee time to grant awards, there are controls in place to ensure that time is not over charged to the grant awards by employee. Ralston House and the City of Arvada are in the process of replacing the current accounting system which includes a grants module. The new grants module will allow employees to charge their time budgeted time directly to the grant which will also calculate their fringe benefits. Implementation of the new system will provide enhanced reporting capabilities and tracking capabilities which will eliminate the deficiencies of the current financial system. This implementation is in progress and is anticipated to be fully functional the first quarter of 2025.

Sincerely,



Don Moseley
Executive Director
Ralston House



Deb Nielson
Treasurer, Board of Directors
Ralston House



10795 West 58th Avenue · Arvada, Colorado 80002 · Phone: 720-898-6741 · www.ralstonhouse.org

APPENDIX 3: Colorado Division of Criminal Justice Response to the Draft Audit Report



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

April 3, 2024

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 Ralston House in Arvada, CO. The Colorado Department of Public Safety concurs with the recommendation in the draft audit report.

Recommendation #1: Ensure Ralston House develops and implements written policies and procedures to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.

CDCJ concurs with the recommendation and will work with Ralston House to develop and implement policies and procedures regarding how personnel costs are charged to the subaward.

Recommendation #2 Ensure that Ralston House maintains an adequate accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.

CDCJ concurs with the recommendation and will work with Ralston House while they transition to a new accounting system that will be in compliance with the DOJ Financial Guide.

Requested remedy: CDCJ is scheduling a meeting with the director of Ralston House to work through the recommendations. This will include assisting with the creation and review of their



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Division of Criminal Justice
Department of Public Safety

written policies and procedures regarding personnel costs and the timeline for the implementation of their new accounting system.

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,

Kelly Kissell

Digitally signed by Kelly
Kissell
Date: 2024.04.03
09:04:02 -0600

Kelly Kissell
Manager – Office for Victims Programs
Division of Criminal Justice

APPENDIX 4: 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 9, 2024

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

FROM: Jeffery A. Haley *Jeffery A Haley*
Acting Director

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 Ralston House, Arvada, Colorado*

This memorandum is in reference to your correspondence, dated March 4, 2024, transmitting the above-referenced draft audit report for Ralston House. Ralston House received sub-award funds from the Colorado Division of Criminal Justice (CDCJ), under the Office of Justice Programs' (OJP), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Numbers 2018-V2-GX-0050, 2019-V2-GX-0027, 2020-V2-GX-0024, 2021-15POVC-21-GG-00614-ASSI, and 2022-15POVC-22-GG-00711-ASSI. 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 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 work with CDCJ to ensure Ralston House develops and implements written policies and procedures to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.**

OJP agrees with this recommendation. In its response, dated April 3, 2024, CDCJ stated that it will work with Ralston House to ensure that it develops and implements written policies and procedures, to ensure that personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.

Accordingly, we will coordinate with CDCJ to obtain a copy of Ralston House's written policies and procedures, developed and implemented, for ensuring personnel costs charged to the subaward are based on records that accurately reflect the VOCA-related work performed.

2. We recommend that OJP work with CDCJ to ensure that Ralston House maintains an adequate accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.

OJP agrees with this recommendation. In its response, dated April 3, 2024, CDCJ stated that it will work with Ralston House to ensure that it maintains an adequate accounting system, in compliance with the Department of Justice (DOJ) Grants Financial Guide, including separately and accurately tracking all federal financial assistance.

Accordingly, we will coordinate with CDCJ to obtain a copy of Ralston House's written policies and procedures, developed and implemented, to ensure that an adequate accounting system is maintained, in compliance with the DOJ Grants Financial Guide, which enables separate and accurate tracking of all federal financial assistance.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda J. Taylor, Lead Auditor, Audit Coordination Branch, of my staff, on (202) 514-7270.

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

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

Linda J. Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
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Kristina Rose
Director
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Katherine Darke Schmitt
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Office for Victims of Crime

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Internal Review and Evaluation Office
Justice Management Division

Jorge L. Sosa
Director, Office of Operations – Audit Division
Office of the Inspector General

OJP Executive Secretariat
Control Number OCOM000794

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP), the Colorado Division of Criminal Justice (CDCJ) and Ralston House. OJP's response is incorporated in Appendix 5, the CDCJ's response is incorporated in Appendix 4, and Ralston House'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. The CDCJ concurred with our recommendations and, while Ralston House's response does not refer to the report's recommendations, Ralston House noted its acceptance of our audit results. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP to work with CDCJ to:

- 1. Ensure Ralston House develops and implements written policies and procedures to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA work performed.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with CDCJ to obtain a copy of Ralston House's written policies and procedures, developed and implemented, to ensure personnel costs charged to the subaward are based on records that accurately reflect the VOCA-related work performed. As a result, this recommendation is resolved.

CDCJ concurred with our recommendation and stated in its response that CDCJ will work with Ralston House to develop and implement policies and procedures regarding how personnel costs are charged to the subaward.

In its response, Ralston House indicated that it accepted our audit results related to payroll charges and stated that it is working on corrective action. Specifically, Ralston House and the city of Arvada are in the process of replacing the current accounting system with a new system that includes a grants module. Ralston stated that the implementation of the new system will provide enhanced reporting and tracking capabilities and that this will eliminate the deficiencies of the current financial system. This implementation is in progress and is anticipated to be fully functional the first quarter of 2025.

This recommendation can be closed when we receive documentation that Ralston House has developed and implemented written policies and procedures ensuring personnel costs charged to subawards are based on records that accurately reflect the VOCA work performed.

- 2. Ensure that Ralston House maintains an adequate accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with CDCJ to ensure that an adequate accounting system is maintained, in compliance with the DOJ

Grants Financial Guide, which enables separate and accurate tracking of all federal financial assistance. As a result, this recommendation is resolved.

CDCJ concurred with our recommendation and stated in its response that CDCJ will work with Ralston House while it transitions to a new accounting system that will be in compliance with the DOJ Grants Financial Guide. CDCJ also stated that it will be working with the Director of Ralston House to assist with the timeline for the implementation of Ralston House's new accounting system.

In its response, Ralston House indicated that it accepted our audit results and that it is working on corrective action. Specifically, as noted previously, Ralston House stated that it and the city of Arvada are in the process of replacing the current accounting system with a new system that includes a grants module. Ralston House stated that implementation of the new system will provide enhanced reporting and tracking capabilities, which will eliminate the deficiencies of the current financial system. This implementation is in progress and is anticipated to be fully functional the first quarter of 2025.

This recommendation can be closed when we receive evidence that Ralston House maintains an adequate its accounting system in compliance with the DOJ Grants Financial Guide, including separately and accurately tracking all federal financial assistance.