



Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the District of Columbia's Office of Victim Services and Justice Grants to the Network for Victim Recovery of DC, Washington, D.C.



AUDIT DIVISION

24-075

JULY 2024



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the District of Columbia's Office of Victim Services and Justice Grants to the Network for Victim Recovery of DC, Washington, D.C.

Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the District of Columbia's Office of Victim Services and Justice Grants (OVSJG) to make subawards to support victim assistance programs in Washington, D.C. The OVSJG awarded \$1,168,066 in crime victim assistance funds to the Network for Victim Recovery of DC (NVRDC) under a subaward in fiscal year (FY) 2023. The purpose of this subaward was to provide services to survivors of crime and increase collaborations to support awareness of services available to crime victims. As of October 2023, the OVSJG had reimbursed NVRDC for the entire award.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how NVRDC 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 NVRDC provided services and support, including advocacy, case management, and legal assistance to survivors of crime in accordance with award requirements. However, we found that NVRDC and the OVSJG could improve certain areas of their subaward management, including grant financial management policies and procedures. We also found that the OVSJG needs to improve how subrecipients track expenditures between federal and local financial assistance on the reimbursement request form.

Program Performance Accomplishments

We reviewed selected victim case files and found evidence that NVRDC used the subaward to provide a range of services to survivors of crime in accordance with subaward requirements. We did not note any significant concerns with NVRDC's provision of services to victims.

Financial Management

The audit concluded NVRDC maintained financial management controls to budget and classify subaward funds. However, we determined that: (1) NVRDC could improve its written policies and procedures related to grant financial management, (2) the OVSJG needs to distinguish and track the source of subaward expenses between federal and local financial assistance for VOCA awards with multiple funding sources, and (3) the OVSJG reimbursed NVRDC \$8,662 in unallowable indirect costs.

Recommendations

Our report contains four recommendations to OJP to assist NVRDC and the OVSJG in improving their award management and administration. We provided our draft audit report to NVRDC, OVSJG, and OJP officials, and their responses can be found in Appendices 3 through 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 Network for Victim Recovery of DC (NVRDC). The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the District of Columbia’s Office of Victim Services and Justice Grants (OVSJG), which serves as the State Administering Agency (SAA) for Washington, D.C., and makes subawards to direct service providers. As a direct service provider, NVRDC received a subaward from the OVSJG totaling \$1,168,066. These funds derived from the OVSJG’s fiscal year (FY) 2022 Victims of Crime Act (VOCA) victim assistance grant that OJP awarded to the OVSJG, as shown in Table 1.

Table 1

Audited Subaward to NVRDC from the OVSJG

OVSJG Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
2023-VOCA-04	15POVC-22-GG-00718-ASSI	10/1/2022	9/30/2023	\$1,168,066

Source: JustGrants and the OVSJG

Established by the 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.

Network for Victim Recovery of DC

Founded in 2012, NVRDC is a non-profit organization located in Washington, D.C., that provides free advocacy, case management, and legal services to crime victims through services it renders and via a network of providers. Specifically, NVRDC’s staff attorneys provide direct representation to crime victims in civil protection order cases and criminal court proceedings. In addition, NVRDC’s advocate staff provide services such as crisis intervention, safety planning, emotional support, hotline services, and referrals to therapeutic and legal services. NVRDC also hosts collaborative activities that support awareness and outreach, community education, and professional training to increase victims’ access to services. NVRDC

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.

reports that, since 2012, it has served over 10,000 survivors of crimes, such as sexual assault, homicide, and elder abuse. NVRDC has been a subrecipient of VOCA funding since 2015.

OIG Audit Approach

The objective of this audit was to review how NVRDC used the VOCA funds received through a subaward from the OVSJG to assist crime victims and assess whether NVRDC 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 further understanding of victim assistance subaward oversight, as well as to evaluate subrecipient performance and administration of VOCA-funded programs, we solicited feedback from OVSJG officials regarding NVRDC's records of delivering crime victim services, accomplishments, and compliance with the OVSJG award requirements.²

We tested compliance with what we considered to be the most important conditions of the subaward. 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; OVSJG guidance; and the OVC and OVSJG award documents contain the primary criteria we applied during this audit.

The results of our analysis are detailed in the report sections that follow. 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, the OVSJG is responsible for ensuring that NVRDC's subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. As such, we considered the results of our audit of victim assistance grants awarded to the OVSJG in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [*Audit of the Office of Justice Programs Office for Victims of Crime Assistance Grants Awarded to the Office of Victim Services and Justice Grants, Washington, D.C.*](#), Audit Report GR-30-17-001 (February 2017), oig.justice.gov/reports/audit-office-justice-programs-office-victims-crime-assistance-grants-awarded-office-victim.

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. NVRDC received its VOCA funding from the OVSJG to provide advocacy, case management, and legal support to survivors of crime. Through the subaward, NVRDC also reported that it sought to cultivate collaborative partnerships and sponsor educational events. We obtained an understanding of NVRDC'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 NVRDC demonstrated adequate evidence of providing the services for which it was funded. Overall, we concluded that NVRDC addressed the subaward goals and objectives.

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 interviewed NVRDC's Deputy Director and Head of Finance and Operations as well as personnel who provided services directly to victims. We also requested and reviewed NVRDC's written policies and procedures that govern the VOCA-funded program. We determined that NVRDC instituted measures to safeguard client confidentiality and comply with applicable laws and regulations. As a result, we did not note significant deficiencies with NVRDC's program implementation.

Program Services

According to the subaward goals and objectives, the services provided by NVRDC to survivors of crime were to include advocacy and legal support, such as providing information, advice, and representation. NVRDC was also to use the award to increase outreach, education, and training efforts to heighten the community's awareness of the services available to crime victims. To verify NVRDC provided the aforementioned services, we obtained a demonstration of NVRDC's electronic case management system and reviewed other evidence, such as victim case files containing intake date, advocate case assignments, advocate notes, and case status. We verified that NVRDC provided evidence of services for survivors of crime. Examples of these services included providing legal advice, accompanying clients to court, identifying housing options, and providing alternative therapy services. We also reviewed other supporting documentation such as training confirmations and event feedback, and verified evidence of NVRDC's outreach events and professional training to increase community awareness of the available services. We did not note any significant inaccuracies in the reports from NVRDC's electronic case management system.

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. Accounting systems must be able to account for award funds separately, to include expenditures and obligation of federal funds. The program funded by the subaward utilized both federal VOCA and local District of Columbia funding.

To assess the adequacy of NVRDC's financial management of the VOCA subaward, we interviewed NVRDC personnel who were responsible for financial aspects of the grant, assessed policies and procedures, reviewed award documents, and performed expenditure testing to determine whether NVRDC adequately accounted for the subaward funds we audited. Overall, we concluded that while NVRDC's payroll and other costs under the VOCA subaward were allowable and supported, NVRDC claimed and the OVSJG reimbursed excess indirect costs for VOCA subaward transactions. Additionally, we determined that NVRDC needs to strengthen its policies and procedures related to grant financial management and the OVSJG needs to improve how it distinguishes and tracks the source of subaward expenses between federal and local financial assistance for VOCA awards with multiple funding sources.

Fiscal Policies and Procedures

To test fiscal policies and procedures, we reviewed NVRDC's policies related to subaward fiscal oversight, interviewed NVRDC's Head of Finance and Operations regarding financial procedures, and verified the execution of activities in accordance with the financial procedures. Recognizing that a lack of internal controls increases the risk of theft, the DOJ Grants Financial Guide states that accounting and internal control systems should, at a minimum, include documented written procedures.

While NVRDC maintained written policies and procedures related to general accounting processes, we did not identify any policies and procedures that addressed certain grant financial management requirements, such as preventing commingling of funds, supplanting, indirect costs, matching or cost sharing, and cash management. We also noted that the lack of written policies and procedures caused minor inconsistencies and inaccuracies within NVRDC's financial reports and expenses. NVRDC's Head of Finance and Operations stated that NVRDC's accounting policies were not comprehensive and plans to use recently hired staff to create more thorough grant financial management policies and procedures. Therefore, we recommend that OJP work with the OVSJG to ensure that NVRDC develop and implement written policies and procedures related to grant financial management.

Accounting of VOCA Expenditures

The DOJ Grants Financial Guide states that an award recipient is required to keep detailed accounting records and documents to track federal funds awarded and expended. Accounting systems must be able to account for award funds separately, to include expenditures and obligations of federal funds. The Uniform Guidance at 2 C.F.R § 200.302(a) and 2 C.F.R § 200.302(b)(3) respectively state that a financial system used by a recipient to account for funds must: (1) be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award, and (2) identify adequately the source and application of funds for federally funded activities. In addition, according to OJP, a subrecipient must be aware of the funding source expected for an expense prior to obligating an expense for reimbursement.

While the approved budget for NVRDC's VOCA program indicated federal and local funding allocated to corresponding budget categories, we found that all subsequent reimbursement requests and Grant Adjustment Notices (GAN) approved by OVSJG did not:

- Separately identify the federal and local budget or expense amounts.³
- Distinguish between budget categories reimbursed with federal or local funds.

Although NVRDC's general accounting policies, procedures, and systems account for federal funds and separately track expenditures, the required OVSJG monthly reimbursement documents only identify the subaward program's monthly expenditure amounts and do not separately identify the amount of expenditures paid with federal or local funds.

An OVSJG official told us about an OVSJG informal practice that employs discretion for which funding sources the OVSJG uses to reimburse allowable subrecipient expenses because the OVSJG ultimately uses federal and local funds for the same subaward program. The same OVSJG official further stated that the approved budget breakdown was non-binding and the OVSJG expected budget modifications made through GANs to change the budget category funding sources throughout the award period.

Because the OVSJG does not have a clear and consistent method to identify federal budgets and expenses on financial documents, we believe that OVSJG's subrecipients that receive awards with multiple funding sources risk being unable to attribute their expenditures to the appropriate source. Such information is critical for a subrecipient to demonstrate that it used federal funding according to federal statutes, regulations, and the terms and conditions pursuant to 2 C.F.R § 200.302 (a) and 2 C.F.R § 200.302(b)(3). Additionally, we believe ambiguity in financial forms risks subrecipient accounting errors, which would negatively impact Single Audit Act reporting pursuant to 2 C.F.R. § 200.501. Therefore, we recommend OJP require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses—between federal and local financial assistance—for VOCA subawards using multiple funding sources.

Subaward Expenditures

NVRDC requested payments from the OVSJG through monthly invoices, which contained the reimbursement amount requested for the month, total reimbursements to date, and the remaining balances for the award. Overall, NVRDC's VOCA budget included personnel/fringe benefits, travel/training, supplies, contracts/consultants, operating costs, and indirect costs.

As of October 2023, NVRDC received \$1,168,066 in federal VOCA funds for reimbursement of expenses under the audited subaward, which ended September 30, 2023.⁴ We reviewed a sample of NVRDC's

³ NVRDC reported expenses to the OVSJG via monthly reimbursement requests. During the award period, NVRDC requested and received eight GANs for staffing modifications and funds reallocations among budget categories.

⁴ Following guidance from the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, the OVSJG allowed its subrecipients to waive the requirement to provide matching funds from non-federal sources. Therefore, we did not perform testing in this area except for verifying that the waiver was provided and in place for the life of this subaward.

transactions from various budget categories to determine whether the costs charged to the VOCA subaward were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected \$183,114 in personnel and fringe benefit transactions, \$109,240 in indirect cost transactions, and \$10,039 in non-personnel award expenditures totaling \$302,393.

Personnel and Fringe Costs

NVRDC's largest reimbursable cost area was personnel costs. We determined the OVSJG reimbursed NVRDC \$926,037 in personnel and associated fringe benefit costs, which represented approximately 79 percent of the \$1,168,066 in subaward reimbursements. We judgmentally sampled two non-consecutive monthly pay periods from the subaward, which included a total of 72 monthly payments for 45 employees and amounted to \$158,135. We also tested \$24,979 in fringe benefit costs associated with the personnel charges in our sample.

To perform verification testing of these expenditures, we reviewed the approved subaward budget, payroll and financial records, and available supporting documents. Our testing found the tested payroll transactions accurate, allowable, and supported in accordance with VOCA Guidelines.

Other Costs

To test other costs, including rent, supplies, operating costs, and travel charged to the subaward, we judgmentally selected 25 non-personnel transactions, totaling \$10,039, from NVRDC's accounting records. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documents. While our testing generally found transactions allowable and supported in accordance with VOCA Guidelines, we noted a software fee expense that occurred before the award period started and while immaterial, we are concerned that this increases the risk of transactions being inaccurately attributed to VOCA subawards. Therefore, in enhancing its grants financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.

We also reviewed 100 percent of indirect cost transactions, totaling \$109,240, from NVRDC's accounting records. According to the DOJ Grants Financial Guide, if no approved federally negotiated indirect cost rate exists at the subrecipient level, the pass-through entity is responsible for determining the appropriate indirect cost rate in collaboration with such subrecipients requesting indirect costs associated with a subaward. Such rates are either negotiated between the pass-through entity and the subrecipient, or the subrecipient can utilize the de minimis indirect cost rate allowed under 2 C.F.R. § 200.⁵ NVRDC opted to utilize the de minimis indirect cost rate of 10 percent of modified total direct costs (MTDC) for the subaward, which the OVSJG approved in NVRDC's award application. NVRDC's Head of Finance and Operations stated the organization utilized OVSJG's reimbursement template and guidance for indirect cost calculations and reimbursements.

We reviewed NVRDC's accounting records and reimbursement requests and determined that the OVSJG provided reimbursement guidance to NVRDC that incorporated both federal and local funds within the MTDC, and NVRDC utilized this total as the basis for the 10 percent indirect cost calculation. As a result, we

⁵ See 2 C.F.R. § 200.332(a)(4)(i)(B).

found that the OVSJG reimbursed NVRDC more than the allowable 10 percent of the federal MTDC in VOCA funds; the overage amounted to \$8,662. Therefore, we recommend OJP work with the OVSJG to remedy \$8,662 in unallowable indirect costs. We also recommend OJP require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.

Conclusion and Recommendations

As a result of our audit testing, we conclude that NVRDC demonstrated achievement of the subaward's stated goals and objectives but did not adhere to all the grant requirements that we tested. We did not identify any significant issues regarding the subaward required program performance and personnel costs. However, we found that NVRDC could improve its written policies and procedures related to grant financial management and the OVSJG needs to distinguish and track the source of subaward expenses between federal and local funds. We also identified \$8,662 in questioned costs related to unallowable indirect cost reimbursements. We provide four recommendations to OJP to work with the OVSJG to address these deficiencies.

We recommend that OJP work with the OVSJG to:

1. Ensure that NVRDC develop and implement written policies and procedures related to grant financial management. In enhancing its grant financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.
2. Remedy \$8,662 in unallowable indirect costs.

We recommend that OJP:

3. Require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses—between federal and local financial assistance—for VOCA subawards using multiple funding sources.
4. Require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how the Network for Victim Recovery of DC (NVRDC) used the Victims of Crime Act (VOCA) funds received through a subaward from the District of Columbia's Office of Victim Services and Justice Grants (OVSJG) to assist crime victims and assess whether it accounted for VOCA 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 a subaward to NVRDC. This subaward, totaling \$1,168,066, was funded by the OVSJG from primary VOCA grant 15POVC-22-GG-00718-ASSI, awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of October 2023, the OVSJG had reimbursed NVRDC the total subaward amount.

Our audit concentrated on, but was not limited to, the period of October 2022 through September 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; OVSJG guidance; and the OVC and OVSJG 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 NVRDC's activities related to the audited subaward. Our work included interviews of NVRDC's Deputy Director as well as the Head of Finance and Operations and personnel who provided services directly to victims. We also examined policies and procedures and reviewed subaward documentation and financial records. We performed sample-based audit testing for subaward expenditures, including payroll and fringe benefit charges, rent, supplies, operating costs, travel, and indirect 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, as well as NVRDC's electronic case management, payroll, and financial systems specific to the management of DOJ funds. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documents from other sources.

Internal Controls

In this audit, we tested internal controls significant within the context of our audit objective. We did not evaluate the internal controls of NVRDC to provide assurance on its internal control structure as a whole. NVRDC management is responsible for the establishment and maintenance of internal controls in accordance with Office of Management and Budget Circular A-123 and 2 C.F.R. § 200. Because we do not express an opinion on NVRDC's internal control structure as a whole, we offer this statement solely for the information and use of NVRDC, the OVSJG, 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 NVRDC 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 audit objective, 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 Number	SAA Subaward Identifier	Amount	Page
Questioned Costs:⁷				
Unallowable Indirect Cost Reimbursements	15POVC-22-GG-00718-ASSI	2023-VOCA-04	\$8,662	7
TOTAL DOLLAR-RELATED FINDINGS			<u>\$8,662</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: Network for Victim Recovery of DC Response to the Draft Audit Report



Network for Victim Recovery of DC
www.nvrdc.org | (202) 742-1727

May 29, 2024

Shenika N. Cox
Regional Audit Manager
U.S. Department of Justice
Office of the Inspector General
Washington Regional Audit Office
Jefferson Plaza Suite
900 Washington, DC 20530

Dear Ms. Cox:

This letter is in response to the audit report completed by OIG, which was shared with NVRDC on May 13, 2024. The audit covered FY23 Victims of Crime Act (VOCA) funds passed through from U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) to DC's Office of Victim Services and Justice Grants (OVSJG) to Network for Victim Recovery of DC (NVRDC).

The report included four recommendations. **NVRDC concurs with each of the four below:**

1. Ensure that NVRDC develop and implement written policies and procedures related to grant financial management. In enhancing its grant financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.
2. Remedy \$8,662 in unallowable indirect costs.
3. Require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses between federal and local financial assistance for VOCA awards with multiple funding sources.
4. Require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.

In terms of actions planned, NVRDC will welcome any changes in procedures that OVSJG implements in response to recommendations 2, 3, and 4.

In terms of actions to address recommendation 1, NVRDC will work with OJP and OVSJG to incorporate recommended language into its SOPs to be more specific in relation to grant requirements, as the report noted that, while NVRDC maintained proper written policies and procedures related to general accounting processes, NVRDC could improve its financial Standard Operating Procedures specifically to include language on preventing commingling of funds, supplanting, indirect costs, matching or cost sharing, and cash management.

NVRDC does attest to adequate controls and procedures for grant management requirements each year when agreeing to special conditions. Additionally, NVRDC completes a financial management questionnaire when submitting direct federal grant applications that cover each of these topics. As a result, in practice, NVRDC does follow federal requirements for all of its



grants – regardless of funding source. Given this, NVRDC would prefer recommendations include more specific language throughout to distinguish between global, major deficiencies in its policies and procedures versus room for improvement and inclusion of the additional language detailing the federal requirements.

On a note of lesser significance, NVRDC wishes to correct the total number of victims served listed (5,000) on the second page of the report. NVRDC is proud to have served over 10,000 since founding. We look forward to working with OVSJG and DOJ for many more years to come in service to survivors of crime in the District of Columbia, and greatly appreciate the support and partnership over the last decade.

Sincerely,

Bridgette Stumpf
Executive Director
Network for Victim Recovery of DC



APPENDIX 4: The District of Columbia Office of Victim Services and Justice Grants Response to the Draft Audit Report

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE OF THE MAYOR
OFFICE OF VICTIM SERVICES AND JUSTICE GRANTS



June 6, 2024

Ms. Shenika N. Cox
Regional Audit Manager
U.S. Department of Justice
Office of the Inspector General
Washington Regional Audit Office
Jefferson Plaza Suite
900 Washington, DC 20530

Dear Ms. Cox:

We have reviewed the draft audit report completed by the Office of the Inspector General (OIG) and shared with the Office of Victim Services and Justice Grants (OVSJG) on May 15, 2024. The audit covered FY23 Victims of Crime Act (VOCA) funds awarded to OVSJG through grant number 15POVC-22-GG-00718-ASSI and sub-awarded to the Network for Victim Recovery of DC (NVRDC) under sub-grant award # 2023-VOCA-04 and have provided our responses below.

The report included four findings and recommendations. OVSJG agrees with three of the four recommendations and partially with one of the findings.

Recommendation 1: OJP work with OVSJG to ensure that NVRDC develop and implement written policies and procedures related to grant financial management. In enhancing its grant financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.

OVSJG's Response: OVSJG agrees with this recommendation and will work with NVRDC to develop and implement these policies for VOCA subawards.

Recommendation 2: OJP work with OVSJG to remedy \$8,662 in unallowable indirect costs.

OVSJG's Response: OVSJG agrees to work with OJP to remedy all unallowable indirect costs, however OVSJG finds a discrepancy in the amount of unallowable indirect costs.

Upon further review of the charges of indirect expenditures to the VOCA award, OVSJG determined that, of the Operating budget line, \$50,908.39 of facilities and maintenance costs were incorrectly included in the indirect cost calculation and should have been excluded to arrive at the Modified Total Direct Cost of \$1,012,776.21 and respectively the Indirect Cost of

*** GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

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\$101,277.62. This miscalculation resulted in OVSJG charging the VOCA award \$104,381.39 in indirect costs, which amounted to an overspend of \$3,103.77.

OVSJG has attached documentation of expenditures to support the allowable \$101,277.62 of indirect expenditures charged to the VOCA award. OVSJG will work with DOJ to ensure repayment of the overcharge of \$3,103.77 if OIG agrees this is the correct amount after reviewing the documentation provided in Appendix I.

Recommendation 3: Require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses between federal and local financial assistance for VOCA awards with multiple funding sources.

OVSJG's Response: OVSJG agrees with this recommendation. Beginning with fiscal year 2025, on October 1, 2024, OVSJG will discontinue the practice of funding VOCA subawards with multiple funding sources. For the remainder of FY24 OVSJG will keep and provide documentation for which funding source individual items of cost are billed against. OVSJG will also document, through GANs, the budget categories and expenditures that are funded per funding source. OVSJG will provide a copy of the new policies and procedures to OJP by July 1, 2024.

Recommendation 4: Require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.

OVSJG Response: OVSJG agrees. OVSJG will follow the policy already in place for ensuring accurate and allowable indirect cost allocations and will further emphasize in written policies and procedures that this policy applies per funding source on awards that have more than one funding source. Further, beginning on October 1, 2024, OVSJG will discontinue the practice of funding VOCA subawards with multiple funding sources. OVSJG will provide a copy of the new policies and procedures to OJP by July 1, 2024.

Thank you for the opportunity to review and respond to this draft report. We look forward to working together to remedy the resulting findings from your audit.

Sincerely,



Jennifer L. Porter
Director

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

June 13, 2024

MEMORANDUM TO: Shenika N. Cox
Regional Audit Manager
Washington 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 District of Columbia's Office of Victim Services and Justice Grants to the Network for Victim Recovery of DC, Washington, D.C.*

This memorandum is in reference to your correspondence, dated May 13, 2024, transmitting the above-referenced draft audit report for the Network for Victim Recovery of DC (NVRDC). NVRDC received subaward funds from the District of Columbia's Office of Victim Services and Justice Grants (OVJSG), under the Office of Justice Programs' (OJP), Office for Victims of Crime, Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Number 15POVC-22-GG-00718-ASSI. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains four recommendations and \$8,662 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 work with the OVJSG to ensure that NVRDC develops and implements written policies and procedures related to grant financial management. In enhancing its grant financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.**

OJP agrees with the recommendation. In its response, dated June 6, 2024, OVJSG stated that it will work with NVRDC to develop and implement policies and procedures for their VOCA subawards.

Accordingly, we will coordinate with OVSJG to obtain a copy of NVRDC's written policies and procedures, developed and implemented, related to grant financial management, to ensure that appropriate controls are included to mitigate misclassified and unallowable expenses to VOCA subawards.

2. We recommend that OJP work with the OVJSG to remedy the \$8,662 in unallowable indirect costs.

OJP agrees with the recommendation. In its response, dated June 6, 2024, OVSJG stated that it will work with OJP to remedy all unallowable indirect costs, including any discrepancies it found in the calculation of the unallowable indirect costs.

Accordingly, we will review the \$8,662 in questioned costs, related to unallowable indirect costs charged to the subaward under Grant Number 15POVC-22-GG-00718-ASSI, and will work with OVSJG to remedy, as appropriate.

3. We recommend that OJP require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses between Federal and local financial assistance for VOCA awards with multiple funding sources.

OJP agrees with the recommendation. In its response, dated June 6, 2024, OVSJG stated that, beginning with Fiscal Year (FY) 2025 award cycle, it will discontinue the practice of funding VOCA subawards with multiple funding sources. OVSJG further stated that, for the remainder of FY 2024, it will maintain documentation for which funding source individual items of cost are billed against. OVSJG also stated that it will document, through Grant Adjustment Notices, the budget categories and expenditures that are funded, per funding source; and will develop and implement new policies and procedures to address this recommendation, by July 1, 2024.

Accordingly, we will coordinate with OVSJG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that the sources of subaward expenses for VOCA awards with multiple funding sources are clearly distinguished, including Federal and local financial assistance.

4. We recommend that OJP require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.

OJP agrees with the recommendation. In its response, dated June 6, 2024, OVSJG stated that it will follow the policy already in place for ensuring accurate and allowable indirect cost allocations; and will further emphasize, in written policies and procedures, the allocation process for charging indirect costs to awards that have more than one funding source. Further, OVSJG stated that, beginning on October 1, 2024, it will discontinue the practice of funding VOCA subawards with multiple funding sources; and will develop and implement new policies and procedures to address this recommendation by July 1, 2024.

Accordingly, we will coordinate with OVSJG to obtain a copy of its written policies and procedures, developed and implemented, to ensure that indirect cost allocations for VOCA subawards funded from multiple sources are accurate and allowable.

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, Audit and Review Division, of my staff, on (202) 514-7270.

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

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Office of the Assistant Attorney General

Linda J. Taylor
Lead Auditor, Audit Coordination Branch
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Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number OCOM000905

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 District of Columbia (DC) Office of Victim Services and Justice Grants (OVSJG), and Network for Victim Recovery of DC (NVRDC). OJP's response is incorporated in Appendix 5, the OVSJG's response is incorporated in Appendix 4, and NVRDC'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 OVSJG generally agreed with our recommendations and NVRDC concurred with all the recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP to work with OVSJG to:

- 1. Ensure that NVRDC develop and implement written policies and procedures related to grant financial management. In enhancing its grant financial management policies and procedures, NVRDC should include controls to mitigate misclassified and unallowable expenses to VOCA subawards.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the OVSJG to obtain a copy of the grant-related written policies and procedures that NVRDC develops and implements to ensure that appropriate controls are included to mitigate the risk of misclassified and unallowable expenses being charged to VOCA subawards.

The OVSJG agreed with our recommendation and stated that it will work with NVRDC to develop and implement these policies for VOCA subawards.

NVRDC concurred with our recommendation and stated that it will work with OJP and the OVSJG to incorporate recommended language into its standard operating procedures to be more specific in relation to grant requirements.

This recommendation can be closed when we receive evidence that NVRDC has developed and implemented written policies and polices specific to grant financial management that include controls to mitigate the risk of misclassified and unallowable expenses being charged to VOCA subawards.

- 2. Remedy \$8,662 in unallowable indirect costs.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will review the \$8,662 in questioned costs related to the unallowable indirect costs charged to the subaward under Grant Number 15POVC-22-GG-00718-ASSI. OJP also stated that it will work with the OVSJG to remedy the unallowable indirect costs, as appropriate.

The OVSJG agreed to work with OJP to remedy all unallowable indirect costs. The OVSJG suggested an alternate amount to be remedied and provided supporting documents for the figure. Upon review, the OIG confirmed the OVSJG utilized reimbursed records that did not match NVRDC's accounting records, causing a discrepancy. The OIG confirmed the unallowable indirect costs cited in the report are correct.

NVRDC concurred with our recommendation and stated in its response it will welcome any changes in procedures that the OVSJG implements in response to the recommendation.

This recommendation can be closed when we receive evidence that OJP has remedied the unallowable indirect costs of \$8,662.

Recommendations for OJP to:

- 3. Require the OVSJG to develop and implement written policies and procedures to distinguish the source of subaward expenses—between federal and local financial assistance—for VOCA subawards using multiple funding sources.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the OVSJG to obtain a copy of the written policies and procedures that it develops and implements to ensure that the sources of subaward expenses for VOCA awards with multiple funding sources (e.g., federal and local financial assistance) are clearly distinguished.

The OVSJG agreed with our recommendation and stated that it will discontinue the practice of funding VOCA subawards with multiple funding sources in fiscal year (FY) 2025. For the remainder of FY 2024, the OVSJG stated it will: (1) keep and provide documentation that identifies which funding source individual costs are billed against; (2) document, through Grant Adjustment Notices, the budget categories and expenditures that are funded per funding source; and (3) provide a copy of the new policies and procedures to OJP.

NVRDC concurred with our recommendation and stated that it will welcome any changes in procedures that the OVSJG implements in response to the recommendation.

This recommendation can be closed when we receive evidence that the OVSJG developed written policies and procedures to ensure that it distinguishes the source of subaward expenses for VOCA subawards that have multiple funding sources (e.g., federal and local financial assistance).

- 4. Require the OVSJG to develop and implement procedures to ensure accurate and allowable indirect cost allocations for VOCA subawards funded from multiple sources.**

Resolved. OJP agreed with our recommendation. OJP stated in its response it will coordinate with the OVSJG to obtain a copy of the written policies and procedures that it develops and implements to ensure that indirect cost allocations for VOCA subawards funded from multiple sources are accurate and allowable.

The OVSJG agreed with our recommendation and stated that it will follow the existing policy for ensuring accurate and allowable indirect cost allocations and will further emphasize in written policies and procedures that this policy applies to each funding source. The OVSJG also stated that beginning on October 1, 2024, it will discontinue the practice of using multiple funding sources for VOCA subawards with.

NVRDC concurred with our recommendation and stated that it will welcome any changes in procedures that the OVSJG implements in response to the recommendation.

This recommendation can be closed when we receive evidence that the OVSJG developed written policies and procedures to ensure that it accurately reimburses approved indirect cost allocations for VOCA subawards funded using multiple sources.