



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



Audit of Risks Associated with the Office of Justice Programs' Management of the Crime Victims Fund Grant Programs

AUDIT OF RISKS ASSOCIATED WITH THE OFFICE OF JUSTICE PROGRAMS' MANAGEMENT OF THE CRIME VICTIMS FUND GRANT PROGRAMS

EXECUTIVE SUMMARY

The Crime Victims Fund (CVF) was created by the Victims of Crime Act of 1984 (VOCA) as a separate account made up entirely of federal criminal fees, forfeited bail bonds, penalties, gifts, donations, and special assessments collected by U.S. Attorneys' Offices (USAO), federal courts, and the Federal Bureau of Prisons. The CVF receives no tax dollars and is used to support crime victims through Department of Justice (DOJ or Department) programs and state and local victim services.

The Office for Victims of Crime (OVC) within the Office of Justice Programs (OJP) distributes funds among seven program areas in accordance with the statutory distribution authorized by the VOCA. OVC allocates the majority of CVF funds to two formula grant programs awarded to State Administering Agencies (SAA) in each U.S. state and territory. The largest program, which received over \$2.2 billion in fiscal year (FY) 2016, funds victim assistance grants that are mostly subawarded by SAAs to public and nonprofit organizations that operate counseling centers, domestic violence shelters, rape crisis centers, and other victim services. The second largest CVF-funded program received \$164.4 million in FY 2016 for victim compensation grants that reimburse victims for certain crime-related expenses, such as medical and funeral costs. Other CVF-funded program areas include USAO victim-witness coordinators who assist victims of federal crimes, and Federal Bureau of Investigation (FBI) victim specialists who help keep victims of federal crimes informed of case developments and appropriate resources.

In FY 2015, Congress increased the amount of CVF funds available for obligation to more than \$2.36 billion, thereby tripling the prior year's funding. The increased funding was intended to allow crime victim service providers to address long-standing challenges such as reaching and serving all crime victims, addressing staffing concerns, and allowing states and territories to fund programs that otherwise would not receive funding. Further, the FY 2015 appropriation increased administrative funds that enable states and territories to update their data collection technology to comply with the OVC's new data collection performance measurement requirements.

The funding increases present new challenges for OVC to manage the significantly larger grant funding, and to monitor grant recipient and subrecipient performance. The DOJ Office of the Inspector General (OIG) undertook this audit to: (1) evaluate the control processes in place for the solicitation, peer review, and award of CVF-funded grants; (2) evaluate the oversight and monitoring of the crime victim grant funds and grantees; and (3) assess the risk among grant recipients of CVF-funded grants.

We found that the OVC had sufficient and appropriate internal control processes for the solicitation, selection, and awarding of CVF-funded grants. In addition, OVC ensured that CVF grant awards were computed and allocated appropriately to states and territories according to legislatively mandated formulas. We determined that OVC made progress in meeting new Congressional requirements for CVF grant recipients to certify their nonprofit status and for subrecipients to make financial statements publicly available. OVC also required grant recipients to establish plans for monitoring subrecipients and to provide grant performance data.

We also identified areas of risk for which OVC's management of CVF-funded grant programs should be strengthened. Specifically, we found improvements were necessary regarding the frequency and adequacy of OVC monitoring efforts. More specifically, we identified risks associated with OVC's historical monitoring of SAAs that manage the victim assistance grants. Considering that these SAAs manage most of the CVF grant funds and also oversee thousands of subrecipients, OVC's regular onsite monitoring of SAAs is critical to mitigating the risk of mismanagement by both SAAs and their subrecipients. However, we found that OVC was not consistently performing onsite reviews of these SAAs within the 3-year frequency identified in the VOCA Victim Assistance Program Guidelines, and had not established a strategy to consistently review all SAAs within a reasonable frequency. While we found that between 2008 to 2016 OVC performed onsite visits to 18 of the 56 victim assistance SAAs with a frequency or "review cycle" of 3 to 4 years, another 18 SAAs received their 2 most recent onsite reviews within a period that ranged from 5 to 8 fiscal years. There was support for only one review for each of the remaining 20 agencies during FYs 2008 to 2016. While OVC performed other monitoring activities for these SAAs, including enhanced programmatic desk reviews performed remotely to serve as a less costly alternative to onsite reviews, we determined that such reviews are not as effective as onsite monitoring whereby monitors can have direct access to grant managers, view grant management processes and documentation on location, and provide technical assistance.

Despite its historical performance, we found that OVC's more recent onsite monitoring indicates that it is improving the timeliness of reviews. Specifically, during FY 2015 and 2016, OVC annual site visits increased substantially and almost tripled the site visits performed the prior 2 years. The 13 onsite visits that OVC performed in 2016 would facilitate an approximate 4-year review cycle if OVC maintains this frequency. However, we identified 20 SAAs that had not received an onsite review during the 4 years prior to November 2016 despite having received a cumulative total of more than \$1.6 billion in CVF funds during that period. Given the volume of funds that are being allocated to SAAs, we believe that OJP should establish an oversight strategy that ensures a consistent, reasonable, and achievable review cycle for onsite visits to SAAs. We believe that this will facilitate an effective evaluation of grant management.

In addition to the frequency of OVC's monitoring, our audit found risks associated with OJP staff's understanding and performance of grant recipient monitoring procedures. Specifically, we found that some OJP program specialists and financial monitors did not fully understand grant monitoring procedures, and

that OJP did not have sufficient procedures for completing some of the financial-related questions in the OJP monitoring checklists. This increases the risk that OJP monitors will fail to identify deficiencies at SAAs in areas such as subrecipient oversight, financial management, and performance reporting. We also found that OJP monitors did not always verify the accuracy of SAAs' reported Victims Compensation certification payouts and revenues, which are the basis of the annual Victims Compensation awards made by OJP to SAAs. Without verifying these payouts, OJP is at risk of misallocating millions of CVF funds to SAAs based on inaccurate information.

As examples of the risks associated with deficiencies in proper monitoring of grant recipients, recent OIG audits have routinely identified deficiencies with recipients' management of grants. We recently audited 11 CVF grant recipients, including SAAs, subrecipients, and a non-formula grant recipient, and identified deficiencies in each of the grantees' grant management practices for the CVF grants awarded. Those deficiencies were: (1) not monitoring subrecipients (found in 4 audits), (2) charging unallowable and unsupported costs to the grants (found in 8 audits), and (3) not verifying or reporting performance data accurately (found in 5 audits). To help mitigate the risks associated with OJP's monitoring practices, in this audit we identified opportunities to improve training for the OJP monitoring staff, including cross-training of programmatic and financial monitoring staff, as well as additional and on-going training for monitors.

Finally, our audit identified risks associated with OJP's performance measures for CVF-funded activities. We concluded that OJP's strategic goal and objectives for the CVF-funded programs are consistent with the Department's strategic plan. However, the goal and its objectives are neither outcome-oriented nor expressed in a quantitative and measureable form, such as the quality of services provided to victims and improvements in their lives as a result of the services. Additionally, the strategic goal and objectives do not pertain to five other CVF-funded activities managed by OJP and are not reported as part of OJP's budget. We reviewed the existing performance measures established for all of the CVF-funded activities. For the CVF-funded activities, OJP had made some progress but still generally lacked outcome-oriented measures. Once appropriate performance measures are established, OJP needs a more effective system to collect, analyze, and report performance data for all CVF activities. Although the CVF programs were not initially designed to readily permit measurement of the programs quality and success, OVC is working to reevaluate existing measures and establish new measures for the CVF programs it manages.

Our report includes 11 recommendations to address the risk areas identified in OJP's management of the CVF fund. Absent the improvements identified in our audit, the Department will be less than fully effective in ensuring CVF grant funds are properly used to provide services and benefits for crime victims.

**AUDIT OF RISKS ASSOCIATED WITH THE
OFFICE OF JUSTICE PROGRAMS' MANAGEMENT
OF THE CRIME VICTIMS FUND GRANT PROGRAMS**

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AUDIT OF RISKS ASSOCIATED WITH THE OFFICE OF JUSTICE PROGRAMS' MANAGEMENT OF THE CRIME VICTIMS FUND GRANT PROGRAMS

INTRODUCTION

During fiscal years (FY) 2011 through 2017, more than \$16.3 billion was deposited into the Crime Victims Fund (CVF) with an aggregate congressional cap of more than \$10.8 billion allowed for distributions from the fund. The FY 2015 cap was approximately 3 times the cap for the immediately prior years after continued requests from victim services organizations about challenges to fund their service programs. These funding increases present new significant challenges for OVC to manage the significantly larger grant funding, and to monitor grant recipient and subrecipient performance. Our audit objective was to assess the risk associated with OJP's management of the increase in the funds available for distribution from the Crime Victims Fund.

The CVF, which was created by the Victims of Crime Act of 1984 (VOCA), is a separate account made up entirely of federal criminal fees, forfeited bail bonds, penalties, gifts, donations, and special assessments collected by U.S. Attorneys' Offices (USAO), federal courts, and the Federal Bureau of Prisons. The CVF receives no tax dollars. The CVF funds are used by Victim-Witness coordinators in USAOs to assist victims of federal crimes and inform them of various issues, including restitution orders and their right to make oral and written victim impact statements at an offender's sentencing. The Federal Bureau of Investigation (FBI) victim specialists keep victims of federal crimes informed of case developments and proceedings and direct them to appropriate resources.

The Office for Victims of Crime (OVC), within the U.S. Department of Justice's (DOJ) Office of Justice Programs (OJP), administers the CVF. The CVF, by statute, is to be used to support crime victim program services primarily through direct compensation to victims and by funding child advocacy centers, domestic violence shelters, rape crisis centers, and other victim service groups throughout the United States. OVC allocates the majority of formula grant funds to two program areas, one for victim assistance and another for victim compensation. Victim assistance grants provide direct services to victims of crime, such as housing, psychological services, and legal support. Victim compensation grants reimburse victims for certain crime-related expenses, such as medical and funeral costs.

The CVF has specific funding limitations and requirements. Each year during the appropriations process, Congress places a cap on the amount of funds available for obligation to maintain it as a stable source of support for future services. The CVF funding distributions for FYs 2011 through 2014, ranged from \$705 million to \$745 million. Table 1 shows the CVF deposits and caps from FYs 2011 through 2017.

Table 1
Crime Victims Fund Previous Year Deposits and Caps
for Fiscal Years 2011 through 2017

Fiscal Year	Previous Year Deposit	Cap On Obligations
2011	\$2,362,337,940	\$705,000,000
2012	\$1,998,220,205	\$705,000,000
2013	\$2,795,547,045	\$730,000,000
2014	\$1,489,682,811	\$745,000,000
2015	\$3,591,493,390	\$2,361,000,000
2016	\$2,639,962,910	\$3,042,000,000
2017	\$1,486,357,496	\$2,573,000,000
Total	\$16,363,601,797	\$10,861,000,000

Source: The Office of the Chief Financial Officer

Once the cap is established, the OVC distributes funds among seven program areas in accordance with the statutory distribution authorized by the VOCA. Up to \$20 million is used to provide grants authorized by the Children’s Justice Act to states to improve the investigation and prosecution of child abuse.¹ Additional funds are then set aside for three programs to support federal victim services for: (1) Victim-Witness Coordinators in the 94 USAOs; (2) Victim Specialists at the FBI; and (3) the Victim Notification System, which is an automated database that provides mandated notifications to victims of federal crimes.² The Executive Office for United States Attorneys administers CVF funding for the Victim-Witness Coordinators and the Victim Notification System.

Of the amount remaining after the above allocations, 5 percent is used for non-formula grants administered by the OVC for demonstration projects, training and technical assistance, and services to victims of federal crimes; 47.5 percent is available for state victim compensation grants; and 47.5 percent plus any amount not used for victim compensation grants is allocated for grants to states to support direct assistance services to victims of crime.³ In addition, in FYs 2015 through 2017 Congress authorized a total of \$30 million for the Office of the Inspector

¹ For these grants, the term “state” includes each state, the District of Columbia, the Commonwealth of Puerto Rico, United States Virgin Islands, North Mariana Islands, Guam, and American Samoa.

² When Congress created these programs, it made available “such sums as may be necessary” to improve services to federal crime victims. Each year, the OVC, as the administrator of the CVF, approves the amount of new funding each program receives.

³ After the annual distribution, up to 5 percent of amounts remaining in the CVF may be used to replenish the \$50 million Antiterrorism Emergency Reserve. These funds are available to assist victims of international and domestic terrorism or mass violence.

General to increase oversight and auditing activities of the CVF. Table 2 shows the distribution of the CVF for FYs 2011 through 2017 by program area.

Table 2
Crime Victims Fund Distributions
Fiscal Years 2011 through 2017
(in millions)

Program Area	Responsible Agency	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 ^d
Children's Justice Act Grants	Health and Human Services and OVC	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$13.4	\$20.0
USAOs' Victim-Witness Coordinators	USAOs	23.4	21.5	21.6	21.9	25.0	29.4	19.9
FBI Victim Specialists	FBI	15.8	16.2	16.3	16.5	24.6	17.3	14.0
Victim Notification System	USAOs	4.8	4.5	4.4	4.5	10.8	4.0	7.4
OVC Non-formula Grants	OVC	32.1	29.4	30.8	31.2	110.6	125.5	104.2
State Victim Compensation Grants	OVC	180.9	178.1	159.1	137.4	141.3	164.4	133.0
State Victim Assistance Grants	OVC	428.1	379.7	425.2	455.8	1,958.8	2,219.9	1,846.5
Management and Administration ^a	OJP	0	55.6	52.6	57.7	59.9	78.1	92.0
Office on Violence Against Women (OVW) ^b	OVW	0	0	0	0	0	379	326.0
Inspector General Oversight (OIG) ^c	OIG	0	0	0	0	10.0	10.0	10.0
Total		\$705	\$ 705	\$730	\$745	\$2,361	\$3,041	\$2,573

^a OJP did not assess programs for management and administration in FY 2011 because OJP had a separate Salaries and Expenses appropriation that year to provide for management and administration needs.

^b Congress did not appropriate CVF funding for OVW until FY 2016.

^c Congress did not appropriate CVF funding for OIG oversight until FY 2015.

^d As of July 2017, the FY 2017 spending levels for OJP program areas are estimates until all funds are obligated and the grants are awarded.

Source: OJP

Office of the Inspector General Audit Approach

The DOJ Office of the Inspector General (OIG) audit objective was to assess the risk associated with OJP's management of the increase in the amount of funds available for distribution from the CVF. The audit focused on, but was not limited to, the period FY 2011 through FY 2016. To accomplish this objective, we: (1) evaluated the control processes in place for the solicitation, peer review, and award of CVF; (2) evaluated the oversight and monitoring of the crime victim grant funds and grantees; and (3) assessed the risk among recipients of CVF-funded grants.

We interviewed OJP, OVC, and Office of the Chief Financial Officer (OCFO) officials. During our review, we also obtained an update on OJP's actions taken to manage the fund increase.

From FY 2015 through March 2017, the OIG also issued 11 grant audits of CVF-funded programs managed by the following entities.

- Commonwealth of Puerto Rico
- State of California
- Subawards to Two Feathers Native American Family Services, McKinleyville, California
- State of Iowa
- State of Delaware
- State of Utah
- State of Nebraska
- District of Columbia
- Subawards to the Indian Child Welfare Consortium, Temecula, California
- Iowa Tribe of Oklahoma
- State of Rhode Island

The audit results identified weaknesses such as: (1) not monitoring subrecipients (found in four audits); (2) charging unallowable and unsupported costs to the grants (found in eight audits); and (3) not verifying or reporting performance data accurately (found in five audits). These results support the risks identified with OVC's management and oversight of CVF grantees discussed in this audit report. Appendix 2 provides a list of OIG reports and audit findings.

Background

The OVC was established in 1988 through an amendment to the VOCA of 1984, and it administers the CVF. The OVC's mission is to enhance the Nation's capacity to assist crime victims and to provide leadership in changing attitudes, policies, and practices in ways that will promote justice and healing for all victims. The OVC supports the development of national-scope training and technical assistance, demonstration projects, multimedia publications, and initiatives to respond to emerging issues and gaps in existing services. The OVC Training and Technical Assistance Center provides a gateway to training opportunities for providers and advocates at all levels of victim services.

The OVC Divisions and Work Teams

The CVF programs are administered by work teams in three OVC divisions as follows.

- Within the Operations, State, and Local Programs Division, the State Assistance and Compensation Teams monitor programmatic and financial compliance of State Administering Agencies administering the Victim Assistance and Victim Compensation formula programs via desk reviews, enhanced programmatic desk reviews, and onsite reviews.
- The Federal, International, and Tribal Teams monitor programmatic and financial compliance of grantees via desk reviews, enhanced programmatic desk reviews, and onsite reviews.
- Within the National Programs Division, the Special Emphasis Team monitors the programmatic and financial compliance of grantees via desk reviews, enhanced programmatic desk reviews, and onsite reviews.

Grant Programs

For this audit, we focused our work primarily on the largest CVF programs, which are the Victim Assistance Grants, Victim Compensation Grants, and Non-formula Grants. The Victim Assistance Program funds are used by states and territories to support eligible crime victim assistance programs that provide direct services to crime victims. The Victim Compensation Program funds are used by the states and territories for awards of compensation benefits to crime victims or on behalf of the victims. For both programs, states and territories may retain up to 5 percent of their total grant for administrative and training purposes.

Formula Program Awards to States

The Victim Assistance and Victim Compensation Programs are formula award programs administered by State Administering Agencies (SAA) designated by state governors. At each state's discretion, both programs may be administered by one SAA or each program may be administered by a separate agency. The annual award amount distributed to each state varies under both programs and is calculated using a separate formula for each program.

The OVC calculates the annual Victim Assistance Program awards based on the CVF funds available each year and each state's population. Each grant award has a project period of the year of the award plus 3 years. The available funds are calculated after the allocations to other program areas have been allocated, including the funds for the Victim Compensation Program. Ninety-five percent of the annual Victim Assistance Program award amount is subawarded to services providers (subrecipients) by the SAAs.

The award amount for the Victim Compensation Program is based on 60 percent of what each state compensation program expends annually in state funding for victims compensation. This calculation is based on total state

compensation payments for the federal fiscal year 2 years prior to the year of the federal grant.

Non-formula Grants

The OVC non-formula grants are used to fund national-scope demonstration projects, training, and technical assistance to enhance the professional expertise of victim service providers. The OVC teams discussed above also administer the non-formula grants. The non-formula grants can be awarded to states, local units of government, tribal communities, individuals, educational institutions, and private nonprofit organizations. The OVC specifies program priorities that identify the training and technical assistance and demonstration initiatives that should be funded in the coming year with non-formula funds available from CVF.

AUDIT RESULTS

Risks Associated with the Management and Oversight of CVF Grants

We found that the OVC had sufficient and appropriate internal control processes for the solicitation, selection, and awarding of CVF-funded grants. CVF grant awards were computed and allocated appropriately to states and territories according to legislatively mandated formulas. OVC implemented new Congressional mandates associated with the FY 2015 appropriation and took additional actions to improve the oversight of the CVF. However, we identified certain risks associated with OVC's monitoring activities. Specifically, OJP has not established an achievable strategy to perform onsite reviews of SAAs with consistent and reasonable frequency. Further, we found that OVC's training program for grant monitors did not require continual training, programmatic monitors lacked a full understanding of financial monitoring requirements, and formal procedures were not in place for completing all monitoring checklists in use by OJP monitors. As a result, OJP monitors are at risk of failing to identify deficiencies. CVF compensation grants are at risk of being inaccurate because OJP did not routinely verify the accuracy of SAAs Victim Compensation payouts that constitute the basis for annual formula Victim Compensation grants.

OVC's Actions to Address CVF Requirements

In FY 2015, Congress substantially increased the CVF appropriation cap, which created new challenges for managing the funds. According to the OVC, the increased funding allows providers to address long-standing challenges such as reaching and serving all crime victims, addressing staffing concerns, and allowing states and territories to fund programs that otherwise would not receive funding. In February 2015, the Director of the OVC notified all state VOCA administrators that the FY 2015 appropriation language requires the OVC to "increase oversight efforts by requiring Victim Assistance grant recipients to certify their 501(c)(3) status and make their financial statement publicly available online." To implement these legal requirements, the OVC included the requirements in the solicitation and award conditions agreed to by Victim Assistance grant recipients. These requirements were not included in OJP's FY 2016 appropriation and therefore the OVC did not include the requirement for the FY 2016 grant awards.

The OVC made other revisions to its FYs 2015 and 2016 solicitations to address interests expressed by Congress regarding the OVC's performance measurement and data collection.⁴ In Appendix 3, we summarize the additional actions taken by the OVC.

⁴ Congress expressed interest in the OVC's performance measurement in its FY 2016 report accompanying the Commerce, Justice, Science, and Related Agencies Appropriation bill (H.R. 114-1130). The OVC included in its response plans to establish a verification process to access the accuracy and validity of performance measures.

To identify areas of risk on which to focus our work, we performed a broad assessment of potential risks associated with the OVC's management of the CVF grants. We reviewed processes and internal controls over the solicitation and award of CVF formula, non-formula, and tribal grants, and peer review of CVF non-formula and tribal grants. We found that the policies and procedures for solicitations, peer reviews, and award processes did not change based on the CVF increase. We also found that OJP's solicitation and award control processes for CVF formula, non-formula, and tribal grants and the peer review process for both the non-formula and tribal CVF grants appeared to be sufficient and appropriate. In addition, we found that CVF grant awards were computed and allocated appropriately to states and territories according to legislatively mandated formulas.

Based on our preliminary assessment, we concluded that the OVC had made progress in meeting the congressional requirements for awarding CVF grants and had identified several appropriate additional actions to take to improve management of the CVF grants. Therefore, we performed no additional testing on grant solicitations, peer reviews, and awards or calculation of formula awards. However, as we explain in this report, we identified risks associated with the monitoring of CVF grants and OJP's development of performance measures for CVF-funded program activities. In addition, we identified improvements for monitoring procedures and staff training and development, which are directly pertinent to helping the OVC address the risks we identified in its monitoring practices.

Monitoring of the Crime Victims Fund Grants

Monitoring is essential to the administration of grants to ensure the accomplishment of goals, proper use of funds, and compliance with program requirements. The Violence Against Women and Department of Justice Reauthorization Act of 2005 requires that OJP assess grants representing not less than 10 percent of the aggregate amount of money awarded under all grant programs.⁵ As part of implementing this requirement, OJP requires the OVC to annually monitor at least 10 percent of the total number of its open and active grants as of the beginning of each fiscal year.⁶ The OCFO Financial Monitors perform separate financial reviews that are not counted toward OJP and the OVC's requirement to monitor at least 10 percent of open and active grants.⁷

⁵ 42 U.S.C. § 3712h(c)(1)(2005).

⁶ OJP defines an open and active grant as one for which the recipient has accepted the grant award, the project period has started and not expired, and the grant has not been put in a special "hold" status for audit or other serious performance issues.

⁷ OVC Program Specialists perform reviews of the grantees' financial and programmatic performance and compliance with grant requirements. The OCFO Financial Monitors perform reviews to ensure that grantees financial management activities comply with grant requirements. The OCFO also provides support services to OVC in the areas of grants, accounting, and financial management.

When selecting grants to monitor, OJP uses an automated Grant Assessment Tool (GAT) to assess awards quarterly against a set of 33 risk criteria taken from existing information about grantees' financial, administrative, and programmatic performance as documented in OJP's Grants Management System (GMS), Financial Management Information System, and other data sources.⁸ The GAT provides a risk score for each grant and a score and a rank for each grantee. The factors considered include grant award amounts, compliance with reporting requirements, high-risk status of grantee, maturity of the grant program (new or existing), and whether funds have been withheld under a previous or current grant. OVC staff review the GAT results and document in the tool which grants will receive in-depth monitoring.

The OCFO also performs additional analyses that are not documented within the GAT. Grantee selection methodology for developing the OCFO annual financial monitoring plan includes both risk-based selections and judgmental selection factors taken from the total population of all DOJ grants. The OCFO further refined the process to select grantees for monitoring in October 2015.

OJP's Office of Audit, Assessment, and Management (OAAM) shares the annual programmatic and financial monitoring plans with all OJP program offices and provides a monitoring coordination tool so that: (1) management is aware of the sites and awards chosen, and has the opportunity to schedule joint onsite monitoring reviews; and (2) duplicative reviews of grants are avoided. OJP also releases an annual DOJ consolidated programmatic and financial monitoring plan consisting of monitoring plans from the OCFO, OJP program offices, the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW). The combined plan is used to ensure that all DOJ grant-making components are aware of each other's monitoring plans, and where possible consider conducting joint onsite reviews to reduce the burden on the grantee as well as to potentially reduce travel costs.

Programmatic and Financial Monitoring

Programmatic monitoring is performed by the OVC Program Specialists to assess grantee performance and compliance with various requirements. The Program Specialists, and staff of the other OJP program offices, perform three types of monitoring activities.

- Standard programmatic desk reviews are conducted at least once per year by OJP program offices on all active grants. These reviews assess progress toward stated project goals and objectives and grant file documentation to determine administrative, financial, and programmatic compliance. The

⁸ For FY 2017, OJP incorporated additional risk criteria into its risk assessment process to increase the monitoring priority for CVF awards with subrecipients and raised the overall risk profile of the CVF.

reviews are not credited toward the requirement that the OVC annually monitor at least 10 percent of the total number of its open and active grants.

- OJP established enhanced programmatic desk reviews (EPDR) in FY 2011 as a remote in-depth monitoring activity as an alternative to onsite reviews to allow a remote assessment of grantees' financial, administrative, and programmatic accountability. These reviews were intended to address OJP's monitoring requirements as discussed above and were necessitated by the significant reduction of travel funds resulting from sequestration.⁹
- OVC onsite monitoring consists of 2 to 3 days of onsite review work usually performed by a single Program Specialist for each grantee. The OVC intends to conduct onsite reviews at least once every 4 years. During onsite monitoring, Program Specialists assess compliance with programmatic, administrative, and a limited number of financial requirements.

We determined that OVC exceeded OJP's requirement that it annually monitor 10 percent of open and active grants in FYs 2012 through 2016. During this time, OVC annually monitored between 10 to 19 percent of its open and active grants, which each year constituted at least the required 10 percent. OVC officials told us the monitoring requirement was not met in FY 2011 because of a hiring freeze and curtailed travel as a result of budgetary uncertainty that year.¹⁰ We also identified the number of CVF grants monitored each year as part of the total grants monitored. We determined that, for each year other than 2011, OVC annually monitored between 11 to 20 percent of the CVF grants awarded, which was more than 10 percent of its grants.

After determining that the OVC met its requirement to monitor individual grants in 5 of the 6 years we reviewed, we sought to determine if it also monitored a reasonable number of individual grant recipients. This assessment was necessary because it was possible that the OVC monitored the required number of grants but that the grants monitored did not include a reasonable number of CVF recipients. We determined that the OVC annually monitored 16 to 45 CVF grant recipients in roughly the same proportion as it monitored other grant recipients. However, later in this report, we discuss concerns regarding the frequency of onsite monitoring for the State Administering Agencies for the Victim Assistance and Victim Compensation Programs.

⁹ According to the Government Accountability Office, sequestration under the Budget Enforcement Act is the cancellation of budgetary resources provided by discretionary appropriations or direct spending laws. New budget authority, unobligated balances, direct spending authority, and obligation limitations are "sequesterable" resources subject to reduction or cancellation under a presidential sequester order.

¹⁰ For FY 2011, the OVC met the 10 percent requirement for Recovery Act grants but did not meet the requirement for monitoring non-Recovery Act grants. When combining the open, active Recovery Act and non-Recovery Act grants that were monitored, OVC did not meet the 10 percent requirement.

We also assessed how CVF monitoring activities were distributed between onsite and EPDRs. For FYs 2011, 2015, and 2016, the OVC performed onsite reviews more often than EPDRs. However, during FYs 2012 and 2013, the OVC relied more on EPDRs reviews because of a lack of travel funding to complete the onsite reviews. During FY 2014, the two review types were performed in roughly equal numbers. During FY 2015, the OVC focused its efforts on performing onsite reviews and continued this focus in FY 2016. OJP officials told us that this change in focus resulted from the availability of funds and management's belief that onsite reviews are a better measurement of how effectively the grantees are managing the program funding.

During the audit, the OVC had 18 Program Specialists available for monitoring. We discussed with the OVC Program Specialists their perceptions regarding the relative value of onsite and EPDRs. Nine of the 13 OVC Program Specialists we interviewed told us that the EPDR is a good tool that has helped the OVC meet the 10 percent requirement during decreases in the number of onsite reviews performed. However, 10 Program Specialists said that the EPDRs are not as effective as onsite reviews. This is because during a site visit the Program Specialists can directly evaluate the grantee in ways not feasible during an EPDR. For example, during a site visit the Program Specialists can review, in person, grant recipients' activities, subrecipient oversight, and files. In addition, the Program Specialists can provide technical assistance as needed. Based on our independent observation, we believe that the OVC management and Program Specialists have correctly assessed that onsite reviews provide for more effective monitoring.

Six Program Specialists also told us that onsite monitoring is not fully effective because of the limited number of days, usually 2 to 3, spent onsite during each review. They said that this amount of onsite time is not sufficient to determine if the grantees and subrecipients are accomplishing grant goals. In our judgment, the Program Specialists have a valid perspective regarding the onsite time given the size of the grants reviewed, which is often in the range of millions of dollars, and the complexity of the grant requirements. Also, for the Victim Assistance Program where 95 percent of funding is subawarded, more onsite time would allow the Program Specialists to assess SAA grant management practices and their subrecipient oversight. We are not able to identify the exact amount of time that should be devoted to these reviews; we agree with the Program Specialists that 2 to 3 days is not sufficient. OJP officials told us that, in their view, the amount of onsite time relates primarily to OJP staff adequately planning and scoping reviews. We agree that such factors need to be taken into consideration (which we also consider when planning and performing OIG audits), but we also believe the Program Specialists' views have merit. Given the risks and issues we discussed previously, we believe OVC can improve its onsite monitoring practices, including the determination of the appropriate balance between the level of testing that OJP monitors perform and the time necessary to perform those reviews in a sufficient manner. We recommend that the OVC evaluate its monitoring practices to improve the effectiveness and sufficiency of its reviews of program results and of State Administering Agencies' oversight of subrecipients' activities.

Turning to our consideration of financial monitoring, the OCFO reviews grants awarded by each OJP component.¹¹ The financial monitoring consists of the following review types.

- Standard financial desk reviews are intended to ensure that grant recipients comply with grant requirements and properly report financial activity on the Federal Financial Reports. For certain circumstances, conference costs and restricted drawdown reviews are performed.
- OJP established enhanced financial desk reviews (EFDR) in FY 2011 as a remote in-depth monitoring activity similar to the EPDRs. These financial reviews allow Financial Monitors to assess grantees financial accountability using electronic communication methods to review general ledgers and supporting documentation.
- During financial monitoring onsite reviews, Financial Monitors: assess accounting systems, internal controls, and related policies and procedures; trace expenditures recorded in accounting systems to amounts reported on the quarterly Federal Financial Reports; and review samples of grant-related transactions.

The OCFO officials told us that prior to FY 2017, financial monitoring onsite reviews were intended to be performed every 5 years for formula grants awarded to CVF SAAs. To mitigate potential risks from increased CVF funding, beginning in FY 2017, the review cycle was changed to once every 3 years. The OCFO may shorten the review cycle depending on the risk level of a particular grant recipient.

As we did with the OVC's monitoring activities, we assessed the number of CVF grant recipients monitored annually by the OCFO. We compared the OCFO's financial monitoring to programmatic monitoring levels. We found that the OCFO annually monitors a number of CVF grant recipients roughly comparable to the number receiving a programmatic review by the OVC. From this, it appears that the OCFO annually monitors a reasonable number of CVF grant recipients.

As with the OVC's programmatic monitoring, we also assessed how the OCFO's CVF monitoring activities were distributed between onsite reviews and EFDRs. An OCFO manager told us that the EFDRs allow Financial Monitors to identify more issues because during those reviews, the monitors focus on in-depth records such as Federal Financial Reports and general ledgers. However, during FYs 2011 through 2016, the OCFO performed only 13 EFDRs for CVF grantees. The OCFO manager said the onsite financial reviews are the preferred method to monitor grantees because those reviews allow the Financial Monitors to evaluate the control environment that is critical to evaluating the grantees' overall financial

¹¹ The OCFO consists of five divisions that provide fiscal policy guidance as well as accounting, budget, financial, and grants management: (1) Budget Formulation and Appropriations Division; (2) Budget Execution Division; (3) Finance, Accounting, and Analysis Division; (4) Financial Systems Division; and (5) Grants Financial Management Division. For this audit, we will discuss the services provided by the Grants Financial Management Division.

management, which cannot be evaluated using the EFDRs. However, other OJP officials subsequently told us that desk reviews are valuable and can identify issues that may require further reviews, investigations, and corrections. Later in the report, we discuss concerns with the OCFO monitoring of Victim Compensation grantees.

We also sought to determine how the level of staffing in both the OVC and the OCFO affected the number of onsite reviews performed. Table 3 below shows the number of onsite reviews performed as compared to the staffing levels for FYs 2011 through 2016.

Table 3
OVC and OCFO Staffing Trends
in Comparison to CVF Grantee Onsite Review Monitoring for
FYs 2011 through 2016

Fiscal Year	OVC Monitoring Staff	Total CVF Grantees OVC Monitored via Onsite Reviews	OCFO Dedicated Onsite Monitoring Staff	Total CVF Grantees OCFO Monitored via Onsite Reviews
2011	21	12	6	6
2012	18	15	3	16
2013	20	7	3	12
2014	18	15	9	11
2015	18	31	10	16
2016	23	43	8	10

Source: OJP

For both the OVC and the OCFO, there appears to be no simple relationship between the number of monitors employed and the number of onsite reviews performed. This is because the number of onsite reviews depends in part on the travel resources available to the monitoring staffs. During some years, travel funds were substantially curtailed resulting in fewer onsite reviews. Both OJP and the OCFO sought to compensate for this problem by conducting more EPDRs and EFDRs. For FYs 2011 and 2013, the OCFO officials told us that they maintained the level of effort for onsite reviews by reassigning other staff, such as managers, to participate in performing the reviews.

We discussed with various OJP officials in the OVC, the OCFO, and Office of Human Resources the fluctuations in Program Specialist and Financial Monitor staffing levels as compared to the number of grantees monitored. We were told that OJP has begun utilizing a workforce model in an effort to determine the appropriate level of staffing across all of OJP's components. Using this model for FYs 2015 and 2016, OJP identified the need for staffing increases in both the OVC and the OCFO. These increases are anticipated to allow for increased onsite monitoring, which had been curtailed during the FY 2013 sequestration.

Oversight of State Administering Agencies and Subrecipients

Although the OVC exceeded OJP's monitoring requirement of 10 percent of its open and active awards, we considered the risk associated with onsite monitoring of SAAs and subrecipients. According to the VOCA Victim Assistance Program Guidelines effective in FY 1997, the OVC should conduct onsite monitoring of each SAA at a minimum, once every 3 years. OVC staff told us that the policy regarding SAA onsite reviews had been changed from every 3 years to every 4 years, but the staff did not provide documentation to support this change in policy. The VOCA Victim Assistance Program Final Rule, effective August 2016, updates the FY 1997 VOCA Victim Assistance Program Guidelines, but does not address OVC's monitoring responsibilities. In our view, effective onsite reviews that are performed at an appropriate frequency are critical to assessing all of the grant management activities of the state agencies, particularly those activities associated with subrecipient monitoring.

SAAs are responsible for developing systems, policies, and procedures to ensure that subrecipient reviews are conducted in accordance with federal program and grant requirements, laws, and regulations.¹² Full implementation of these requirements, as verified by the OVC during its onsite monitoring activities, is critical to mitigating the risk of mismanagement by both SAAs and their subrecipients. To ensure adequate oversight of SAA and subrecipients, we recommend that OJP establish an oversight strategy that ensures a consistent, reasonable, and achievable risk-informed cycle for onsite reviews to State Administering Agencies on a frequency that facilitates effective and appropriate monitoring of CVF grant funds. Representatives from OJP's OAAM stated they have already begun the process to develop a comprehensive, risk-informed monitoring strategy for SAAs, which will include specific goals for onsite monitoring. OJP believes that this will facilitate a more effective evaluation of grant management.

We sought to assess the frequency of the OVC's SAA onsite reviews by analyzing site visit reports contained in OJP's Grants Management System. During FYs 2011 and 2016, 83 SAAs receive CVF funding for the Victim Assistance and Victim Compensation Programs. Among all the SAAs, 26 receive funding for both the Victim Assistance and Victim Compensation Programs, 30 receive funding only for the Victim Assistance Program, and 27 receive funding only for the Victim Compensation Program. For our analysis of onsite review frequency, we grouped the 56 agencies that receive funding for the Victim Assistance Programs because those agencies manage subrecipients. The remaining 27 SAAs that receive funding only for the Victim Compensation Program have no subrecipients. We provide an analysis for those 27 State Administering Agencies later in this report section.

¹² As of July 2016, the OVC revised its monitoring requirements for SAAs. SAAs were required to develop and implement a monitoring plan and include a risk assessment plan. SAAs were also required to conduct regular desk monitoring of all subrecipients and conduct onsite monitoring of all subrecipients at least once every 2 years during the award period, unless a different frequency is required based on risk.

- **OVC Onsite Reviews of Victim Assistance State Administering Agencies**

The majority of annual CVF funding is allocated to the SAAs that manage the Victim Assistance Formula Program. As noted above, 26 of these agencies also administer their state's Victim Compensation Program. SAAs for the Victim Assistance Programs typically receive the preponderance of OVC's CVF funds, and those agencies subaward most of the funds. Prior to the funding increases in FYs 2015 and 2016, SAAs were making awards to about 4,000 subrecipients from each fiscal year's Victim Assistance Program state-level award. As shown in Table 2, during FYs 2015 and 2016 the funding for the Victim Assistance Programs increased more than fourfold over prior funding levels. At the time of our audit, it was not clear what effect this would have on the number of subrecipients, but it seems reasonable to assume that the number of subrecipients will increase.

For the 56 SAAs funded for the Victim Assistance Program, we determined the length of time between the 2 most recent onsite reviews for each agency during the period from FYs 2008 to 2016. We made this assessment by identifying the date of each agency's most recent site visit, then identifying the date of the preceding site visit, and then calculating the length of time between the two dates. We expected that most SAAs would have received their 2 most recent onsite reviews within a minimum of 3 or 4 fiscal year period, and we found this to be true for 18 of the 56 agencies. However, another 18 of the 56 agencies received their 2 most recent onsite reviews within a period that ranged from 5 to 8 fiscal years. There was support for only 1 review for each of the remaining 20 agencies during FYs 2008 to 2016. From this analysis, it is apparent that the OVC has not consistently conducted onsite reviews at the required frequency.

We next identified the number of onsite reviews and EPDRs of Victim Assistance Programs SAAs performed annually by the OVC during FYs 2011 through 2016 as summarized in Table 4.

Table 4
OVC Monitoring of SAAs for Administering Victim Assistance Grants
FYs 2011 through 2016

Fiscal Year	SAAs	SAAs Programmatically Monitored Onsite	SAAs Subject to EPDRs
2011	56	5	3
2012	56	6	12
2013	56	3	17
2014	56	4	6
2015	56	11	1
2016	56	13 ^a	1
Total		42	40

^a OJP officials told us that 14 reviews were conducted in FY 2016; however, one of those reviews was of a SAA that administered both the Victims Assistance and Victims Compensation grants, and only the Victims Compensation program for that SAA was reviewed in FY 2016.

Source: OJP

As demonstrated in Table 4, the OVC significantly increased its number of onsite reviews for FYs 2015 and 2016 as a result of increased resources. For the period prior to FY 2015 and as shown in the table, OJP maintained a review presence with the SAAs by performing EPDRs. While we support the increase in the number of site reviews, we are concerned that the rate of such reviews in FYs 2015 and 2016 does not permit accomplishment of either a 3 or 4 fiscal year review cycle for the 56 SAAs funded for the Victim Assistance Program. To accomplish a 3-year cycle, the OVC would need to complete 19 onsite reviews each fiscal year, and to accomplish a 4-year review cycle, the OVC would need to complete 14 reviews each fiscal year. The number of onsite reviews conducted in FY 2016 comes close to permitting the accomplishment of a 4-year review cycle. At the conclusion of our audit, OJP officials told us that the rate of onsite reviews in FYs 2015 and 2016 would meet a 5-year cycle. While this is correct, no OJP official told us that a 5-year cycle was under consideration during the course of our audit. Additionally, an OVC official told us that a 3- or 4-year cycle would ensure that each grant is subject to an onsite review during the lifecycle of the grant. A 5-year cycle does not accomplish this, as the standard grant period is the year of the award plus 3 years.

To demonstrate the potential risks associated with infrequent onsite reviews, we identified the SAAs that had not received an onsite review within 4 years of November 2016. We located in OJP's GMS the most recent date of review for each of the 56 SAAs funded by the Victim Assistance Program. We found that as of November 2016, the OVC had not performed onsite reviews at 20 of the 56 SAAs within the prior 4 fiscal years. As demonstrated in Table 5, SAAs that were collectively awarded more than \$1.6 billion during FYs 2011 through 2016 for Victim Assistance had not received an OVC onsite review in more than 4 years. These agencies collectively subawarded approximately \$1.6 billion to subrecipients

through the Victim Assistance Program. Nineteen of the state agencies received EPDRs during this period, one did not. We believe that onsite reviews were needed to fully assess the grant management activities of both the SAAs and their subrecipients. When agencies are not reviewed routinely, the OVC is not able to determine if SAAs are following current grant requirements and are properly monitoring subrecipients, which increases the likelihood that any mismanagement of CVF funds will go undetected.

Table 5 lists these 20 agencies and provides the Victim Assistance and Victim Compensation awards for FYs 2011 through 2016 along with the dates of the most recent site visits.

Table 5
SAAs Responsible for Managing Victim Assistance and Victim Compensation Grants that Have Not Received an OVC Onsite Review Within 4 Years as of November 2016

SAA	Victim Assistance Award Amount for FYs 2011-2016	Victim Compensation Award Amount for FYs 2011-2016	Fiscal Year of Most Recent Site Visit
Alaska	\$16,002,924	\$3,931,000	2009
American Samoa ^a	\$2,194,785	N/A	2008
Arkansas	\$55,496,158	\$6,353,000	2010
Colorado	\$97,534,384	\$26,949,000	2009
Florida	\$354,410,464	\$39,724,000	2009
Guam	\$4,105,266	N/A	2009
Idaho	\$31,870,044	\$4,394,000	2009
Iowa	\$57,958,445	\$12,049,000	2010
Maine	\$26,547,073	\$1,223,000	2010
Michigan	\$178,497,092	\$10,981,000	2009
Minnesota	\$99,413,368	\$4,479,000	2009
N. Mariana Islands	\$2,107,114	N/A	2008
New Mexico	\$39,900,923	\$4,128,000	2009
New York	\$351,968,437	\$59,203,000	2009
Oklahoma	\$71,541,794	\$11,028,000	2010
Rhode Island	\$21,679,333	\$2,425,000	2010
South Dakota	\$18,029,692	\$1,113,000	2009

SAA	Victim Assistance Award Amount for FYs 2011-2016	Victim Compensation Award Amount for FYs 2011-2016	Fiscal Year of Most Recent Site Visit
Tennessee	\$118,741,361	\$27,456,000	2009
Vermont	\$14,093,080	\$1,441,000	2009
Wisconsin	\$104,876,858	\$10,592,000	2009
Total	\$1,666,968,595	\$227,469,000	

^a OJP designated American Samoa as a high-risk grantee in 2008. According to OJP officials, during this period, OJP and worked closely with the American Samoa SSA agency and its internal audit department to resolve issues identified during audits and pervious onsite monitoring, as a result onsite reviews were not necessary.

Source: OIG Analysis

We discussed the content of Table 5 with OJP officials who told us that these SAAs received EPDRs and that 11 received onsite financial monitoring visits. However, we do not believe that the use of these other monitoring methods obviate the need for onsite programmatic monitoring.

- **OVC Site Reviews of Victim Compensation-Only State Administering Agencies**

We also assessed the frequency of the OVC's onsite monitoring for the 27 SAAs that administer only the Victim Compensation Program. To do this, we analyzed onsite visit reports contained in OJP's GMS. For the 27 agencies, we determined the length of time between the two most recent onsite reviews for each agency from FYs 2008 to 2016. We made this assessment by identifying the date of each agency's most recent site visit, then identifying the date of the preceding site visit, and then calculating the length of time between the two dates.

We expected that most SAAs would have received their two most recent onsite reviews within a 3 or 4-year period, and we found this to be true for 10 of the 27 agencies. However, nine of the agencies received their two most recent onsite reviews within a period that ranged from 5 to 8 fiscal years. Seven of the agencies received one onsite review during the 8-year period. One other SAA in Hawaii did not receive a site visit from FYs 2008 through 2016, and we noted that it last received an onsite review in FY 2005. From this analysis, it is apparent that OVC has not been consistently conducting Victim Compensation Program onsite reviews at the required frequency. We discussed this concern with OJP officials who told us that all but one of the SSAs received an EPDR during this period and eight SSAs not reviewed onsite by the OVC received a financial site review. While these other review methods provide an assessment of SSA operations, we continue to believe that onsite programmatic reviews are critical to effective oversight of the SAAs.

As summarized in Table 6, we also identified the number of onsite reviews of Victim Compensation Programs SAAs performed annually by the OVC during FYs 2011 through 2016.

Table 6
OVC Onsite Reviews of SAAs Responsible for Administering Only Victim Compensation Grants
FYs 2011 through 2016

Fiscal Year	SAAs	SAAs Programmatically Monitored Onsite	SAAs subject to EPDRs
2011	27	2	1
2012	27	3	7
2013	27	2	4
2014	27	4	3
2015	27	7	0
2016	27	6	0
Total		24	15

Source: OJP

As shown in Table 6, the number of onsite reviews increased during FYs 2015 and 2016. For the period prior to FY 2015 and as shown in the table, OJP maintained a review presence with the SAAs by performing EPDRs. However, while the rate of onsite reviews for FY 2015 and 2016 comes close to meeting the requirements of a 4-year review cycle, the rate of reviews for those 2 years is not sufficient to accomplish a 3-year review cycle. We believe it is critical for the OVC to establish an achievable review cycle that will ensure appropriate oversight over billions of dollars and in addition, develop a strategy for consistently meeting the review cycle.

- **OCFO Site Reviews of Victim Assistance State Administering Agencies**

We next assessed the frequency of the OCFO onsite reviews for the 56 Victim Assistance SAAs that manage subrecipients, 26 of those SAAs also administer their state's Victim Compensation Program. The OCFO established program guidelines for performing onsite reviews of OJP grant recipients that provide for a review cycle of once every 5 years for each OJP grant recipient. According to the OCFO staff, onsite reviews were intended to be performed on a 5-year cycle for formula grants awarded to SAAs. The OCFO may shorten the review cycle depending on the risk level of a particular agency. The OCFO staff told us they planned to begin monitoring CVF grants every 3 years to mitigate risks from the increased CVF funding.

To assess the frequency of the OCFO's onsite monitoring for the Victim Assistance Programs, we analyzed site visit reports contained in OJP's GMS for each of the 56 victim assistance SAAs discussed above. We determined that 9 of these

agencies had not been reviewed onsite by the OCFO during FYs 2008 through 2016. For the 47 agencies that the OCFO reviewed during FY 2008 through 2016, we also determined the length of time between the most recent onsite reviews for each agency. Of the 47 agencies reviewed by the OCFO, 20 received their 2 most recent onsite reviews within a 5-year period. Another three agencies received their two most recent onsite reviews within a period greater than 5 years. For the remaining 24 agencies, we could not determine the timeframe between onsite reviews because GMS showed that the OCFO had only completed 1 review for each of these 24 agencies during FYs 2008 and 2016.

We also identified the number of onsite reviews of Victim Assistance Program SAAs performed annually by the OCFO during FYs 2011 through 2016 as summarized in Table 7.

Table 7
OCFO Onsite Reviews of SAAs Responsible for Administering Victim Assistance Grants
FYs 2011 through 2016

Fiscal Year	SAAs	SAAs Financially Monitored Onsite
2011	56	4
2012	56	11
2013	56	6
2014	56	7
2015	56	13
2016	56	10
Total		51

Source: OJP

As demonstrated in Table 7, the OCFO almost doubled its number of onsite reviews in FY 2015, but decreased the number in FY 2016. However, the rate of reviews for FYs 2015 would permit accomplishment of a 5-year review cycle.

- **OCFO Site Reviews of Victim Compensation-Only State Administering Agencies**

To assess the frequency of the OCFO's onsite monitoring for the Victim Compensation Programs, we analyzed site visit reports contained in OJP's GMS for each of the 27 victim compensation SAAs. Of these 27 agencies, 5 received an onsite review within a 6-year period. Of the five agencies visited, two received their two most recent onsite reviews within that period. Two of the 27 agencies received their 2 most recent site reviews within a period greater than 6 years; the range between reviews for these agencies was 12 to 15 fiscal years. For the remaining 20 agencies, 11 had only 1 OCFO onsite review and 9 had no evidence of an OCFO onsite review. We discussed our results with an OCFO official and were

told that the OCFO did not have sufficient monitoring staff to perform the site reviews to all 83 SAAs that administer CVF grants.

We also identified the number of onsite reviews of Victim Compensation-only State Administering Agencies performed annually by the OCFO during FYs 2011 through 2016 and as summarized in Table 8.

Table 8
OCFO Onsite Reviews of SAAs Responsible for Administering Only Victim Compensation Grants
FYs 2011 through 2016

Fiscal Year	SAAs	SAAs Financially Monitored Onsite
2011	27	0
2012	27	2
2013	27	2
2014	27	1
2015	27	0
2016	27	0
Total		5

Source: OJP

As shown in Table 8, which represents the monitoring of SAAs that do not also administer Victim Assistance awards, no more than two onsite reviews were conducted during any fiscal year of the 6-year period, and the rate of review is insufficient to meet a 5-year review cycle. We discussed this low level of review activity with an OCFO official who told us that the OCFO was not sufficiently staffed to complete these reviews more frequently. The OCFO official also said that such reviews were prioritized based on evaluation of risk in the GAT. After evaluation of risk in the GAT, and as discussed on page 8 above, the OCFO staff performs additional analyses to refine their selection of grantees for monitoring.

Although the grant award amount is a criteria within the GAT for selecting grantees for monitoring, we found that some of the unreviewed SAAs receive significant Victim Compensation awards. For example, SAAs for Illinois, Nevada North Carolina, South Carolina, Tennessee, and Washington, which were collectively awarded about \$104 million during FYs 2012-2016, were not selected for monitoring during those years. When asked why these grantees had not been reviewed, the OCFO told us once more that it did not have the staff to perform the monitoring of all SAAs.

Regarding the audit results above for both the OVC and the OCFO onsite reviews; we believe that the use of a review cycle would ensure that all grantees are reviewed on a more frequent basis. Consequently, we recommend that OJP develop an achievable review cycle that will ensure adequate coverage over all

SAAAs, and develop a strategy for consistently meeting that review cycle. In addition, OJP should consider those agencies that have not received onsite reviews in recent years (such as those in Table 5) as a greater risk factor in considering onsite reviews to be completed each fiscal year.

Regardless of the number and types of reviews performed by OJP, the actual benefit derived from all of these monitoring activities is dependent on the review procedures performed by the OJP monitoring staff. OIG audits of CVF-funded grantees confirm our concerns with the risk associated with the OVC's management and oversight of CVF grantees. We found that 7 of 11 audits identified weaknesses in CVF grantees' subrecipient monitoring.¹³ For example, our audit of the California Governor's Office of Emergency Services (Cal OES) determined that high-risk subrecipients were not always considered for monitoring, monitoring records were not adequate, and internal monitoring policy and procedures were not followed.¹⁴ In addition, we audited the Cal OES subawards to the Indian Child Welfare Consortium and found that this subrecipient did not appropriately manage its subawards.¹⁵ With frequent and routine oversight of SAAs, OJP can identify weaknesses in the SAAs grant management practices and improve subrecipient oversight. In the sections that follow, we discuss our assessment of those procedures and improvements that can be made.

Desk Review Frequency

OJP policy requires that Program Specialists conduct standard programmatic desk reviews for each active grant every 6 months, but at least annually. However, at the start of our audit work, the OVC required that Program Specialists responsible for the formula grants awarded to the states under the Victim Assistance and Victim Compensation programs perform desk reviews every 3 months.

The Program Specialists described the quarterly desk reviews for about 300 State Administering Agencies as time consuming, unproductive, and overburdening. The Program Specialists told us that they believe desk reviews should be performed semiannually. During our audit, OVC reconsidered its policy regarding quarterly desk reviews and changed to a system of semi-annual desk reviews. Because reducing the number of desk reviews would free Program Specialist's time for

¹³ See Appendix 2 for the detailed audit findings for each of the 11 OIG reports. These audit reports also discussed deficiencies with CVF grantees' programmatic and financial management practices.

¹⁴ U.S. Department of Justice Office of the Inspector General, *Audit of the Office of Justice Programs Grants Awarded to the California Governor's Office of Emergency Services*, Audit Report GR-90-16-002 (January 2016).

¹⁵ U.S. Department of Justice Office of the Inspector General, *Audit of Office of Justice Programs Grants Sub-Awarded by the California Governor's Office of Emergency Services to the Indian Child Welfare Consortium*, Audit Report GR-90-16-005 (February 2017).

working with grantees and for performing onsite reviews, in our judgment, this was a reasonable change in monitoring by the OVC.

Checklists and Questionnaires

The OVC Program Specialists for the formula grants told us that they conduct monitoring onsite reviews using both the OJP standardized onsite monitoring checklist and additional checklists, forms, and questionnaires developed by OVC management. The additional checklists, forms, and questionnaires cover program requirements not covered in the OJP standard onsite monitoring checklist. The Program Specialists for the formula grants said they learned how to use the additional forms and questionnaires by working with senior grant staff. The OVC has no formal written procedures for completing the additional checklists, forms, and questionnaires. A senior OVC official told us they were unaware that the written procedures had not been developed for completing the additional checklists, forms, and questionnaires. In addition, 9 of the 13 OVC Program Specialists from all the OVC grant management teams we interviewed told us they had difficulties completing the financial-related questions in the OJP standardized onsite monitoring checklist because there are inadequate instructions for completing these steps. Also, 4 of the 13 Program Specialists interviewed said that team leaders, supervisors, and managers sometimes provide inconsistent responses when asked for clarification of the procedures for completing the additional checklists, forms, and questionnaires.

The OVC Program Specialists also told us that review procedures should be clearly explained within the additional checklists, forms, and questionnaires so that the reviewers have complete guidance available for each monitoring step. Further, they suggested that the checklists, forms, and questionnaires be consolidated into a single document to help eliminate duplication. They said that such consolidation would also help ensure consistency of their understanding and completing the review procedures. We agree that these actions would help achieve better oversight of grantees and subrecipients. We recommend that the OVC establishes written procedures for the additional checklists, forms, and questionnaires used by formula Program Specialists when completing onsite monitoring activities of formula grants.

In November 2016, OJP's Office of Audit, Assessment, and Management (OAAM) updated seven questions in the OJP onsite review checklist. OAAM added three questions to address: internal control weaknesses identified by desk reviews; completion of financial management training by grantee staff; and subrecipient award policies and procedures related to pre-award, post-award monitoring, and closeout. OAAM also revised guidance for three additional checklist questions regarding subrecipient monitoring plans, documentation for executing the plan, and documentation for subrecipient reviews. In one additional checklist question, OAAM added instructions on the documents to be collected and work conducted for the subrecipient reporting under the Federal Funding Accountability and Transparency Act.

Updating the OJP monitoring checklist demonstrates a reasonable effort to stay abreast of changing standards, requirements, and internal controls. However, the updated checklist does not address Program Specialists' concerns expressed to us about the need to have procedures for completing financial-related monitoring steps. We recommend that OVC develops improved instructions and training for Program Specialists when completing the financial-related monitoring steps in the OJP standard onsite monitoring checklist. These procedures should take into account the concerns expressed by the Program Specialists.

The OCFO Financial Monitors use an onsite review guide and checklists to review expenditures, match requirements, subrecipients' files, budgets, and cash management. The Financial Monitors told us that some portions of the financial monitoring checklist do not have documented procedures for completing the steps. The Financial Monitors believe that such procedures were necessary to ensure consistent completion of all monitoring steps. We discussed this concern with an OCFO official who was unaware of the Financial Monitors' concerns. Given the risks associated with inconsistent and incomplete monitoring procedures, we recommend that the OCFO develop improved instructions and training for Financial Monitors when completing financial monitoring steps in the OCFO onsite financial monitoring checklist. We discussed this recommendation with OJP officials who, in response, told us that the OCFO's financial monitoring site visit checklist is very detailed and serves as both the guide and procedures for site visits. Further, the officials said that all financial monitors are trained to use the checklist and are required to complete it properly. However, based on the comments provided to us by the financial monitors, we continue to believe that the OCFO needs to develop improved instructions, and that the financial monitors are in the best positions to identify the specific improvements required.

The Financial Monitors are required to verify the accuracy of total compensation payouts from state revenues certified by State Administering Agencies, but there are no specific procedures and training to complete this step. Further, the OVC Program Specialists do not verify these payouts during their monitoring activities. The accuracy of these payouts is extremely important because the totals are used by OJP to make the annual Victim Compensation Program awards. SAAs receive Victim Compensation awards based on 60 percent of the compensation payout from state revenues for the federal fiscal year 2 years prior to the year of the federal grant. Prior to award of the federal funds annually, each SAA must submit its annual application including a certification of the amount paid to victims by the Victim Compensation Program in the previous federal fiscal year. Most Financial Monitors we interviewed said that they review a sample of each state's total compensation payments but do not verify the total. However, one Financial Monitor had taken the initiative to develop review steps for verifying the total and, in implementing those procedures, identified two instances where the state agency over reported total payouts. In each of those instances, the OVC had to adjust the award amount as part of the monitoring corrective action.

Absent procedures for completing steps and procedures to verify total compensation payouts during the financial reviews, there is an increased risk that

the Program Specialists and Financial Monitors will not detect incorrectly reported compensation payouts leading to improper grant award amounts. The risk is made worse by the relative low frequency of financial monitoring onsite reviews among the State Administering Agencies. Consequently, we recommend that the OVC and the OCFO develop written procedures for use in verifying the State Administering Agency certifications for the accuracy of total compensation payouts.

Staff Training and Development

OJP offers a variety of training opportunities for staff in the OVC and the OCFO. The OVC has not established a training program specifically directed to staff performing the monitoring function. In addition, the OVC staff is not required to prepare annual training plans for grants management. The OCFO told us that it has a comprehensive process for annually assessing training needs and developing training plans for all staff. However, the four financial monitors we interviewed told us they were not required to prepare an annual training plan, and three of the four told us they were not aware of a training program specifically covering the monitoring function. We believe that on-going and standardized training for both new and experienced monitors would contribute significantly to monitors' continuous improvement of skills, understanding of changing standards and practices, and knowledge of requirements that pertain to both program and financial operations.

In general, the training opportunities for the Program Specialists and Financial Monitors consist of the following.

- New staff members in both the OVC and the OCFO are required to take a 2-day grant overview course provided through DOJ's Grants Management System and may take refresher training monthly on the OJP University portal.¹⁶
- OJP's OAAM provides to its program and financial monitoring staff certain training on changes to policy requirements with applicability to OJP.¹⁷ For example, in April and May 2017, OAAM delivered four separate sessions of its grants management update training to provide staff with information on changes in policy and procedures for the grants life cycle. OAAM plans to conduct these training sessions semi-annually each year. OAAM intends to design additional training to address needs for both OJP staff and grantees in accordance with the results of its quality review process, interactive training, revisions to OJP onsite

¹⁶ OJP Universal Portal is a module used for training and professional development programs offered for the OJP workforce.

¹⁷ OAAM works to improve and enhance programmatic oversight for the OJP bureaus and program offices, as well as COPS and OVW. OAAM seeks to: ensure financial grant compliance and auditing of OJP's internal controls to prevent waste, fraud, and abuse; conduct program assessments of OJP, OVW, and COPS Office grant programs; oversee monitoring activities; and serve as a central source for grant management policy.

review checklist, OIG audit results, programmatic and financial monitoring results, and single audits.

- In the OVC, supervisors work with each Program Specialist to establish training courses that the specialists should take or on-the-job training the supervisor will provide.
- In the OCFO, all staff are offered but are not required to complete core training consisting of grant financial management courses offered by an outside vendor. This training can lead to certification in grant financial management. All of this training is contingent on the availability of sufficient training funds.
- As of December 2016, OJP was developing interactive Program Specialists training on how to conduct in-depth monitoring. The interactive training was being developed in conjunction with the recent revisions to the OJP onsite review checklist. The training is intended to cover: the evidence a Program Specialist should retain during an onsite monitoring review; expectations of a Program Specialist when reviewing the entire process to manage, monitor, and oversee subrecipients; and how to write an effective monitoring report. OJP expected to have this training in place by the second or third quarters of FY 2017, and the training will be required for all OJP Program Specialists.

Program Specialists and Financial Monitors consistently told us that, after their initial training, no further training is formally required of them. They also said that they need additional training, particularly pertaining to requirements that cross between program and financial areas. For example, 9 of 13 Program Specialists we interviewed said they did not have training, educational background, and experience to address the financial portion of their monitoring duties.

We discussed with the OVC Director our concerns about the need to strengthen and improve its training. While the OVC Director said that those concerns need to be addressed OJP-wide, she acknowledged that Program Specialists often do not have sufficient financial backgrounds and sometimes struggled with the financial portion of their monitoring duties. The OVC director also told us that each of the OJP component offices are responsible for training their staffs, but the components lack authority and resources to develop training requirements.

As noted above, OJP is making progress on developing additional training pertaining to monitoring activities. OAAM conducted a semi-annual grants management update training in April and May 2017 and plans to perform training semi-annually every year. The intent of the semi-annual trainings is to provide staff with updated changes in policy, process, or procedures for the grants lifecycle. We believe that that progress can be enhanced by requiring annual grant management training for both new and experienced Program Specialists and Financial Monitors. Such training should focus on cross-training to ensure that both the Program Specialists and Financial Monitors understand fully the interrelated grant requirements and updates. We recommend that OJP strengthen grant management and financial training requirements for new and experienced Program Specialists and Financial

Monitors by annually surveying those staff members regarding their training needs. This may be accomplished by annually assessing the training needs for program and financial staff and developing training plans based on those assessments. We recognize that this recommendation has implications for other OJP staff and, as a result, may require consideration of action across other OJP bureaus and offices. However, we believe these improvements will help ensure that all staff understand new programmatic and financial requirements and can apply that knowledge to the full range of requirements. We also recommend that the OVC and the OCFO develop training requirements that will allow for cross-training between the OVC Program Specialists and the OCFO Financial Monitors to ensure staff appropriately and consistently monitor and provide accurate and consistent guidance on the programmatic and financial aspects of the grant program.

Risk Associated with OJP's Performance Measurements for CVF-Funded Activities

OJP's strategic goal and objectives for the CVF-funded programs are consistent with the Department's strategic plan, but do not permit an assessment of program results as outlined in the Government Performance and Results Act (GPRA), the GPRA Modernization Act of 2010 (GPRAMA), and as required under the Office of Management and Budget (OMB) Circular A-11.¹⁸ Specifically, the goal and its objectives are not outcome-oriented and expressed in a quantitative, directly measurable form accompanied by indicators, targets, and timeframes to allow for a future assessment of the impact of the CVF program, and whether the goal and objectives are being achieved. In part, this is because OJP has not developed performance measures sufficient to measure performance outcomes. The performance measures existing at the time of our audit did not assess the quality and success of all CVF activities because OJP needs a more effective system to collect, analyze, and report performance data for all CVF activities. OJP also needs written procedures and controls to review, verify, and validate the performance data for all CVF activities. These problems are related to the fact that the CVF programs were not initially designed to readily permit measurement of programs quality and success. In addition, OJP does not request that the other Department components receiving CVF funds establish and report program results. The OVC is working to reevaluate existing and establish new measures for the CVF programs it manages. Absent improvements to the measurement of CVF program results, the Department, Congress, and the public are unable to assess fully the extent to which the CVF-funded programs achieve the desired results.

Crime Victims Fund Performance Measures

According to the Department's FY 2015 Performance Report and FY 2017 Annual Performance Plan, the Department embraces the concepts of performance-based management. Such management seeks to achieve improved performance by placing greater focus on mission, agreement on goals and objectives, and reporting of results. Employing a strategic planning cycle, the Department seeks to set long-term goals and objectives, translate these goals and objectives into budgets and program plans, implement programs, monitor performance, and evaluate results. The Department's FYs 2014 - 2018 Strategic Plan (Strategic Plan) is intended to provide the overarching framework for component and function-specific plans, as well as annual performance plans, budgets, and reports to ensure the effective use of funding. OJP's implementation of this framework will help ensure the most effective use of CVF and other grant funding.

To assess the status of performance measurements for the CVF grants, we interviewed 13 OVC Program Specialists and 3 managers regarding performance measurement activities. Nine of the 13 OVC Program Specialists told us that OJP

¹⁸ OMB Circular A-11, Preparation, Submission, and Execution of the Budget provides detailed guidance to executive departments and establishments by OMB for preparing and submitting the President's budget and executing the budget.

needs to better determine how well the grant programs are working and whether the grant programs should be renewed or revised to better serve the crime victims. Those nine Program Specialists told us that the current performance measures are output-related and used principally to determine the number of victims, types of victimizations, demographics, and types of services provided. They also said that the results are primarily used for congressional reporting and are not representative of what the grantees do or whether the programs are meeting the needs of the victims. Three OJP Program Specialists told us that it is difficult to obtain information other than output data from certain grantees, but that should not excuse the OVC's inability to report on how well the grant program is performing.

The three managers we interviewed told us that OJP lacks the capability to address victim program outcomes because it is unable to track outcomes for individual victims. We agree with this assessment because privacy and security concerns for victims make it difficult to have direct contact with or acquire data about outcomes experienced by those victims. The OVC officials also told us the OVC does not have the ability to conduct follow-up calls with crime victims to determine how they are progressing. This is because the identity of these victims is typically protected by the agencies that provide direct services to them. The OVC officials also told us that conducting effectiveness evaluations would be the only way to get outcome type results as opposed to the output data that is currently collected. Such evaluations would involve review procedures tailored to each program through which the outcomes of victim services would be compared to the program goals.

The 2015 appropriation increased administrative funds that enable states and territories to update their data collection technology to comply with the OVC's new data collection performance measurement requirements. One OVC official told us that SAAs frequently resist efforts to improve performance indicator requirements, even when funding is available to upgrade systems to track performance results. That same OVC official believes this is because SAAs are reluctant to release detailed program results. The lack of interest among the SAAs is demonstrated by the fact that in FY 2015, the OVC made funding available for victim compensation grantees for the purpose of updating or obtaining technology to better track and report performance indicators, but only 12 states and the District of Columbia applied for the grant funding.

Crime Victims Fund Goals and Objectives

We assessed how the CVF-related strategic goals and objectives conform to the requirement of the GPRA, the GPRAMA, and OMB Circular A-11. Those laws require that strategic performance goals and objectives be outcome-oriented and be expressed in an objective, quantitative, and directly measurable form. While GPRAMA guidance is only required at a Department level, a sub-agency or component can benefit by having a strategic plan that serves as a useful tool to determine program goals and objectives. As required by GPRAMA and stated in the FY 2017 OMB Circular A-11, a strategic plan must include performance goals, which are statements of the level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective or as a quantitative standard, value,

or rate. A performance goal includes a performance indicator, a target, and a time period. Thus, the guidance in both documents requires that strategic performance goals and objectives be outcome-oriented and be expressed in an objective, quantitative, and directly measurable form. The need for such goals and objectives is supported by the Justice Management Division Budget Staff, which oversees planning and preparation of the budget for all components of the Department. A budget staff official told us that OJP has been advised of the need to develop goals and objectives that are outcome-oriented and expressed in an objective, quantitative, and directly measurable form for all activities. We discuss here how goals and objectives for CVF-funded activities are included within the Department and OJP's strategic plans.

The DOJ Strategic Plan establishes three broad strategic goals and objectives within each goal. The Strategic Plan presents strategies for accomplishing each goal along with 30 performance measures, including at least 1 measure for each objective. The CVF grant programs fall under the Department's Strategic Goal 2, prevent crime, protect the rights of the American people, and enforce federal law. The CVF grant programs are further addressed under the Department's Objective 2.2, which is to prevent and intervene in crimes against vulnerable populations and uphold the rights of, and improve services to, America's crime victims. The strategies for accomplishing Objective 2.2 are to:

- prevent, investigate, and prosecute crimes against children;
- combat elder abuse;
- ensure safety and justice for victims in Indian Country;
- increase public awareness and enhance prevention of violence against women; and
- support victims of crime throughout their interaction within the federal criminal justice system.

In December 2015, OJP published a Strategic Plan for FY 2016 – FY 2018 containing the following four broad goals.

- Goal 1: Prevent and reduce crime through a comprehensive approach.
- Goal 2: Engage and empower those in at-risk environments.
- Goal 3: Advance systemic improvements in the justice system.
- Goal 4: Deliver Effective and Outcome-Driven Services, Capabilities.

For each goal, OJP stated challenges and established objectives, strategies, and anticipated outcomes. According to the OJP Associate CFO, the CVF grant programs are primarily encompassed by OJP's Strategic Goal 2. Figure 1 summarizes OJP's approach to its Strategic Goal 2.

Figure 1
OJP's Strategic Goal 2:
Engage and Empower Those in At-Risk Environments

CHALLENGES	• Higher crime rates for underserved communities and tribal populations compared to the national average • Victims, underserved groups, and tribal members fear seeking help or do not know where to seek help • Greatly limited access to readily available and effective assistance for victims, underserved groups and tribes
OBJECTIVES	2.1 Improve the criminal and juvenile justice system and victim assistance response to individuals in at-risk environments 2.2 Increase community engagement in at-risk environments to reduce violent crime and improve community well being 2.3 Expand access to available and effective victim services in at-risk environments
STRATEGIES	• Promote evidence-based programs that are trauma-informed, victim-centered, and contextually appropriate • Engage residents in at-risk environments to gain their perspective, identify actual needs and increase awareness of resources • Bolster capacity to provide or maintain assistance at the state and local levels that meets local needs
ANTICIPATED OUTCOMES	• Better assistance and more established protections for individuals and communities in at-risk environments • Increased local ability to target community-specific challenges • More effective, accessible and consistent delivery of services and programs in the field

Source: OJP's FYs 2016 - 2018 Strategic Plan

The OJP Associate CFO told us that, within OJP Strategic Goal 2, the CVF grant programs are addressed by all three objectives. OJP's December 2015 strategic plan did not provide performance indicators for any of these objectives and, instead, as noted in Figure 1 it provided generally stated anticipated outcomes. In the next section of this report, we discuss performance indicators in detail.

The OJP Associate CFO told us that, as of October 2016, OJP was working to align strategies and anticipated outcomes with CVF program objectives. However, in our opinion the CVF-related OJP strategic goal to "engage and empower those in at-risk environments" is not quantitative and directly measurable. This is demonstrated by the fact that the goal and its objectives are not associated with

quantitative measures pertaining to victim assistance and victim compensation activities, such as the quality of the services provided to crime victims and improvements achieved in victims' lives because of those services. In addition, the goal and its objectives are open-ended and do not provide OJP with targets and timeframes to measure the program's impact on the population of crime victims who have received victim services, recovered from victimization, and reentered into society as a result of those services. As noted previously, the OVC managers do not believe this is possible to achieve with performance indicators.

Further, while the CVF-strategic goal and its objectives address the victim assistance and victim compensation grant programs, they do not address the other five CVF-funded activities described in OJP's annual performance budgets. The activities not addressed are the same as those identified in the following section of this report in Table 9.

In December 2015, the OJP Assistant Attorney General published the OJP FY 2016 - FY 2018 Strategic Plan to advance outcome-oriented approaches to program management. The OJP leadership stated to us that the plan in place at the time of our audit did not provide measures for specific programs or funding streams such as the CVF. A senior OJP official told us that while the OJP leadership supports the requirements of GPRA, GPRAMA, and OMB Circular A-11, they believed the specific strategic planning requirement of the acts pertain to the Department as a whole and not specifically to OJP. In December 2015, OJP undertook an initiative to improve many of its performance management practices. In February 2017, OJP completed an implementation process for the FY 2016 - FY 2018 Strategic Plan to include performance indicators, targets, and timeframes.

One of the purposes of GPRAMA is to help agencies and their components to improve program performance by setting goals against which to measure performance. GPRAMA holds agency leaders at all levels of the organization accountable for choosing performance goals and indicators wisely and for setting ambitious, yet realistic targets.

We believe that OJP has taken positive initial steps toward developing an outcome-oriented goal and objectives that can be expressed in an objective, quantitative, and directly measurable form. However, further work is necessary to complete this effort and then tie the results to Department's overarching strategic plan. Consequently, we recommend that OJP seek to establish a CVF-strategic goal and objectives for CVF-funded activities reported in the budget that are outcome-oriented to allow for a meaningful future assessment of whether the goal and objectives are being achieved. To the extent possible, the CVF program goal and objectives should be expressed in a quantitative, directly measurable form with indicators, targets and timeframes that will support meaningful future assessment of the impact of the CVF program and whether the strategic goal and objectives are being achieved.

Crime Victims Fund Performance Indicators

Although CVF-related performance indicators are not included in the Department's and OJP Strategic Plans, some indicators are included in OJP's performance budgets submitted annually to Congress as part of the President's budget submission for the Executive Branch. Guidance for the budget submissions is provided annually by the OMB through OMB Circular A-11 regarding Preparation, Submission, and Execution of the Budget. OMB Circular A-11 provided the following regarding performance indicators in the FYs 2016 – 2017 performance plans submitted to Congress.

The Annual Performance Plan should align to the agency's strategic goals and objectives, explaining how they will be achieved. Strategic goals are advanced by strategic objectives, which in turn, are supported by specific performance goals and indicators. For each strategic goal, the annual plan should show the supporting strategic objectives and performance goals. The indicators that will be used to track, interpret or improve progress on performance goals must also be included in the performance plan.¹⁹

We reviewed the annual performance plans contained in OJP's FYs 2015 through 2017 congressional budget requests. According to OMB Circular A-11:

Under the GPRA Modernization Act, an agency's Annual Performance Plan (APP) defines the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. The APP may be used to structure the agency's budget submission or be a separate document that accompanies the agency's budget submission. An Annual Performance Plan must cover each program activity of the agency set forth in the budget.²⁰

As shown in Table 9, for FYs 2015 through 2017, OJP did not report performance indicators for five of its activities within the CVF decision unit.²¹

¹⁹ OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, §Section 240.3, June 2015.

²⁰ OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, §Section 200.21, June 2015.

²¹ A decision unit is a specific activity, a collection of activities, or project identified in an agency's annual budget. An activity is a program or collection of programs that fall under the decision unit. The budgets contain actual performance results for two fiscal years prior to the budget year. Consequently, an agency's FY 2017 budget includes actual performance results for FY 2015 through FY 2011, and its FY 2016 budget contains actual performance results for FY 2014 through FY 2010.

Table 9
OJP's FY 2015 - FY 2017
CVF Decision Unit within the Annual Performance Plan
as Part of the Congressional Budget Request

Activity	Performance Indicators Included in Plans	Performance Results Included in Plans
Improving Services for Victims of Crime in the Federal Criminal Justice System	No	N/A
Improving the Investigation and Prosecution of Child Abuse Cases — Children's Justice and Assistance Act Programs in Indian Country	No	N/A
Implementation of the Vision 21 Initiative	No	N/A
Victim Compensation Formula Grant Program	Yes	Yes
Victim Assistance Formula Grant Program	Yes	Yes
Non-formula Grants/Activities Program — National Scope Training and Technical Assistance and Direct Services to Federal, Tribal and Military Crime Victims	No	N/A
Antiterrorism Emergency Reserve Fund	No	N/A

Source: OJP's FY 2015 - FY 2017 Performance Budget Request

The OJP performance plans for FYs 2015 through 2017 contained only the four performance indicators for two CVF activities within the decision unit listed in Table 10.

Table 10
OJP's FY 2015 - FY 2017 CVF Decision Unit
Performance Plan Data

OJP's Objective: Improve services for crime victims through capacity-building; evidence-based support and assistance; and compensation		
ACTIVITY	PERFORMANCE INDICATORS	TYPE OF MEASURE
Victim Assistance and Victim Compensation Grant Programs	Ratio of victims that received Crime Victims Fund assistance services to the total number of victimizations	Long Term/Outcome
	Ratio of Crime Victims Fund compensation dollars allocated to total economic loss incurred by victims of crime	Long Term/Outcome
	Percent of violent crime victims that received help from victim agencies	Annual/Outcome
	Number of victims that received Crime Victims Fund assistance services	Annual/Output

Source: OJP's FY 2015 – FY 2017 Performance Budget Requests

A senior OJP official told us that the Department's budget guidance does not require OJP to report performance indicators and performance results for each activity in its annual performance plan. That official said OJP generally focuses on

reporting performance results for activities for which quarterly performance data is reported to the OVC by grantees. However, the Department's FYs 2016 and 2017 templates and instructions for preparing the budget submissions, which include the performance plans, require each component to report all activities and performance measures funded by each decision unit. This is consistent with the requirements of OMB Circular A-11, and a Department budget official told us that OJP has been advised of the need for such performance indicators for all its activities.

At the time of our audit, the OVC had not yet reported performance indicators and performance results for all CVF decision unit activities because it was systematically reevaluating existing indicators and working toward establishing complete indicators for all activities. This process began in 2013 when the OVC began efforts to revise performance metrics for the Victim Assistance and Victim Compensation Programs. According to a senior OJP official, the original design for these programs was oriented primarily around the provision of funds for victim services and benefits, and performance indicators were not included in the original program design. The performance indicators in place for the programs in 2013 had not been updated for more than 20 years.

The process that began in 2013 included an analysis by the OVC staff, development of draft performance indicators, and discussions of those draft measures with grantees and other stakeholders. The OVC also contracted for support in this effort. New performance indicators were distributed for the Victim Compensation Program in April 2015 and for the Victim Assistance Program in September 2015. These new performance indicators, which at the time were still under review within the OVC, were included in the FY 2015 solicitations for victim compensation and the FY 2016 solicitations for the victim assistance as drafts so that grantees would have notice of the new indicators.²² The new and finalized indicators for victim compensation were included in the FY 2016 solicitation, while the victim assistance indicators were included in FY 2017 solicitation. OJP officials told us that the new indicators will appear in budget submissions beginning with the submission for FY 2018. This is because the submissions are prepared 2 years in advance.

The performance indicator activities discussed above demonstrate that OJP and the OVC are making progress in strengthening their efforts in this area. To determine the extent of further progress required for each CVF-related activity shown in Table 9 above, we assessed efforts to establish improved performance indicators and collect data regarding those measures. In general, we found that the OVC was making progress in developing output-type measures focusing on data pertaining to demographics, services provided, and types of crime. However, it was making less progress in outcome-type measures as required by the GPRAMA and OMB Circular A-11. The OVC was collecting performance data for all but one of the CVF-related activities. Without such measures, OJP cannot evaluate how feasible it would be to continue funding each of its program activities. As a result, we

²² The OVC generally issues solicitations in April. Because the new victim assistance indicators were not completed until September 2015, they were not published until FY 2016.

recommend that OJP ensure that performance indicators are developed and results are reported for activities within the CVF decision unit. Our results for each CVF-related activity are summarized below.

Improving Services for Victims of Crime in the Federal Criminal Justice System

This activity is implemented by the U.S. Attorney's Offices (USAO) and the Federal Bureau of Investigations (FBI) under interagency agreements the OVC established with the Executive Office for United States Attorneys (EOUSA) and the FBI. USAO Victim-Witness Coordinators assist victims of federal crimes and inform them of various issues such as restitution orders and their right to make victim impact statements at an offender's sentencing. The FBI's victim specialists keep victims of federal crimes informed of case developments and proceedings and direct them to appropriate resources.

According to a senior OVC official, the interagency agreements have not required EOUSA and FBI to establish performance indicators for these initiatives, even though the EOUSA and FBI have systems to track the activities of their respective employees. The OIG's 2014 audit of the Crime Victims Fund Disbursements to the FBI and EOUSA noted concerns regarding the accuracy and consistency of CVF-related data developed by each component.²³ The audit recommended that the FBI, EOUSA, and the OVC collaborate to develop more uniform reporting standards for performance statistics. Although the FBI, EOUSA, and the OVC concurred with the recommendation and reported plans to begin the necessary collaboration, corrective action for the recommendation had not been completed as of March 2017. A senior OVC official told us that, in November 2016, the OVC planned to initiate the process to develop the necessary performance indicators through its performance measurement tool to collect, track, and report CVF performance data from EOUSA and the FBI. This corrective action was planned for completion in the summer of 2017.

Improving the Investigation and Prosecution of Child Abuse Cases — Children's Justice and Assistance Act Programs in Indian Country

Under this activity within the annual budget performance plans, CVF funding is distributed by both the Department of Health and Human Services (HHS) and the OVC. HHS makes grants to states to improve the investigation, prosecution, and judicial handling of cases of child abuse and neglect. This work is intended to be performed in a manner that limits additional trauma to the child victim. The OVC makes grants to tribes for services and programs to improve the investigation and prosecution of child abuse and neglect cases.

²³ U.S. Department of Justice Office the Inspector General, *Audit of the Crime Victims Fund Disbursements to the Federal Bureau of Investigation and Executive Office for United States Attorneys*, Audit Report 14-33 (September 2014).

Under the Victims of Crime Act of 1984, allocation of funds to this activity are determined by a formula, but are capped at \$20 million with 15 percent of that amount provided to the OVC.²⁴ For FY 2016, HHS received \$10.36 million of the funds and the OVC received \$3 million.²⁵ The OVC is not involved in the establishment and tracking of performance indicators for the HHS portion of the funds.

For its portion of the funding, the OVC provides grantees with sample performance indicators and a description of data required to address these indicators. Grantees report on performance indicators semi-annually through progress reports submitted through OJP's Grants Management System. We reviewed the OVC solicitations for grant applications under this program during FYs 2015 and 2016. The sample performance indicators we reviewed, though not inclusive, were primarily related to program outputs rather than accomplishment of program goals. We discussed these performance indicators with an OVC senior manager who told us that the OVC plans to revise the measures for tribal grants in FY 2018.

Implementation of the Vision 21 Initiative

Vision 21 is an initiative to alter the treatment of crime victims by:

- (1) modernizing and expanding the victim assistance data reporting system,
- (2) providing evidence-based training for practitioners who serve victims, and
- (3) supporting demonstration projects to address key or emerging victim issues within the state.

Under this initiative, the OVC has funded a number of research and evaluation projects through the Bureau of Justice Statistics and the National Institute of Justice. According to the OVC's "Vision 21 Accomplishments", the projects resulted in new sources of data useful in understanding victimization, evaluating victimization programs, understanding technology infrastructure needs, understanding training and technical assistance needs, and expanding support for unserved and underserved victims.

Grant awards under the initiative are managed within the CVF non-formula grant program, which is discussed in more detail below. At the time of our audit, the OVC tracked performance data received from Vision 21 grantees through progress reports submitted semi-annually in OJP's Grants Management System. A senior OJP official told us that the Grants Management System generally cannot track and report outcome-related data, which can be done using the

²⁴ 42 U.S.C. § 10601(d) sets an allocation that in any fiscal year where the CVF deposits are greater than in 1998 (deposits in 1998 were \$324 million), an amount determined by the statutory formula, but capped at \$20 million, is available to be obligated and expended by the Secretary of HHS for the child abuse prevention and treatment program under 42 U.S.C. § 10603(a) every fiscal year. As a practical matter, the amount is \$20 million every year. Likewise, under the provisions of 42 U.S.C. § 10601(g)(1), the Attorney General shall use 15 percent of the funds available under (d)(2) for grants to assist tribes in handling child abuse cases through the OVC's Children's Justice Act program.

²⁵ For FY 2016, HHS funding totaled \$17 million, which included carryover balances totaling \$6.64 million from previous years.

Performance Measurement Tool. In February 2016, the OVC initiated a process to review and update the Vision 21 performance indicators. As of January 1, 2017, those updated indicators were in place, and by April 30, 2017, grantees reported their first quarterly performance data in the Performance Measurement Tool.

Victims of Crime Act Victim Assistance and Victim Compensation Formula Grant Programs

The principal goal of the Victim Assistance Program is for states and territories to support eligible crime victim assistance programs that provide direct services to crime victims. Similarly, the principal goal of the Victim Compensation Program is to provide funds for use by the states and territories to provide compensation benefits to crime victims. As noted previously, the original design of these programs was oriented toward providing funds to states and territories for victim services and benefits, and the design did not include outcome-oriented goals and performance indicators.

In its FY 2015 Victim Assistance and Victim Compensation Program solicitations, the OVC informed applicants that award recipients would be required to submit quarterly performance metrics through its online Performance Measurement Tool. Both solicitations further required that, to fulfill the requirements of GPRA and GPRAMA, applicants were to provide data that measures the results of their work completed under the solicitations. In the solicitations, the OVC provided several examples of core performance indicators that applicants would be required to track for its victim assistance and victim compensation grants. These indicators were oriented toward providing quantitative results, but were not designed to measure the overall effectiveness of the programs.

For the FY 2016 victim assistance and victim compensation grant awards, the OVC updated and revised its performance indicators, as shown in Appendix 3 and 4, and added items requiring a narrative response. The required performance data was still oriented toward outputs rather than overall program effectiveness. However, narrative questions seek information on victim's satisfaction with assistance and compensation services. Grantees will report a performance data report summarizing all the quarterly data annually through OJP's Grants Management System and quarterly performance data through OVC's Performance Measurement Tool. In October 2015, states began reporting victim assistance Subgrantee Award Report data in the Performance Measurement Tool, and in January 2016, began collecting subrecipient performance measurement data in the tool. In March 2015, the states also began reporting victim compensation performance data in the tool. We reviewed the OVC's use of the Performance Measurement Tool and believe that it provides an effective capability to track the progress of grantees reporting performance results.

Non-formula Grants/Activities Program — National Scope Training and Technical Assistance and Direct Services to Federal, Tribal, and Military Crime Victims

The OVC non-formula grants are used to fund national scope demonstration projects and training and technical assistance for victim service providers. The OVC develops an annual non-formula program plan funded in part with CVF funds. Non-formula grants cover a wide range of programs such as legal services identified through its Vision 21 Initiative, technical assistance needs, previously funded worthwhile grants that ran out of funding, and programs identified by staff and managers. Performance indicators for the non-formula grants are developed, reevaluated, or revised and updated annually depending on the programs funded each year. Grantees report on performance indicators semi-annually in progress reports submitted through OJP's Grants Management System, which we do not believe provides an effective capability to track and report performance measures. However, the OVC Program Specialists review the performance data in the Grants Management System for consistency based on the goals and objectives of the grants. As of November 2016, the OVC planned to require non-formula grant recipients to report performance data through its Performance Measurement Tool, but no specific time frame had been established pending the availability of staff to develop standardized performance measures that fit in a program that has changing objectives.

We judgmentally reviewed two of the 26 FY 2015 non-formula grant solicitations. As discussed below, these were solicitations for the "Language Access Training and Technical Assistance Program" and the "Supporting Male Survivors of Violence Program." The Language Access Training and Technical Assistance Program seeks to enhance training, technical assistance, public awareness, and capacity building for victim service providers and allied professionals in the area of language access. The program objectives are to: (1) improve deaf, hard-of-hearing, and limited English proficiency victims' access to crime victims services through training and technical assistance; (2) increase victim service providers' and allied professionals' understanding of their legal and ethical obligations related to the needs and rights of crime victims who are deaf or hard-of-hearing, and victims with limited English proficiency; and (3) produce high-quality training and technical assistance to assist victim service providers and allied professionals to improve their language access capabilities.

The Supporting Male Survivors of Violence Program is intended to help create equal access to both system and community-based victim service providers for male survivors of violence, particularly boys and young men of color. The program also seeks to help create a national commitment to better serve these individuals, and to provide comprehensive information, training, and technical assistance to support demonstration sites.

We found that the performance indicators for these programs required reporting on indicators that were all oriented toward program outputs rather than accomplishment of the program goals. At the time of our audit, the OVC did not have plans to revise previously established performance indicators for the CVF

non-formula grants because those indicators are developed and updated as needed annually and prior year indicators are used only if the same activity is funded again. However, we believe that when the OVC establishes performance indicators for newly funded non-formula activities it should ensure that indicators address the desired program results for the funded activity so that program effectiveness can be properly measured.

Antiterrorism Emergency Reserve Fund

The Victims of Crime Act sets aside CVF funding for the Antiterrorism Emergency Reserve Fund (Fund) through which the OVC may award supplemental crime victim assistance and victim compensation funds and funds emergency expenses and other services through the following two programs.

The Antiterrorism and Emergency Assistance Program (AEAP) is intended to provide immediate and on-going victim assistance services in the form of grants. Such grants are made to qualifying applicants including state victim assistance and victim compensation programs; U.S. Attorneys' Offices; federal, state, and local governments; and non-governmental victim service organizations. For example, the OVC provided AEAP funds and assistance grants following the recent mass violence incidents in: Charleston, South Carolina (2015); Boston, Massachusetts (2013); Newtown, Connecticut (2012); and Aurora, Colorado (2012). The funding is not available for foreign governments.

In 2012, the OVC developed AEAP performance indicators, which an OVC senior manager told us has not been subsequently revised because the program has not changed significantly since that time. Grantees report on performance indicators semi-annually in progress reports submitted through the OJP Grants Management System. Program Specialists review the performance data for consistency based on the goals and objectives of the grants. For reported performance data that appears inconsistent, the Program Specialists contact grantees for clarifications and if needed, correct the reported data.

We reviewed the FY 2016 AEAP solicitation for "Crime Victim Compensation and/or Assistance." The objective of the program is to improve services and assistance by providing supplemental funding for emergency relief benefits to assist victims of domestic terrorism and mass violence within and outside the United States. For victim compensation projects funded under the program, the performance indicators required reporting on the number of victims served and the percent of funds for victim services provided. For the victim assistance programs, the performance indicators required reporting on the:

- number of victims served, by service;
- number of collaborative partnerships established;
- number of new policies and practices evaluated and/or adopted;
- percent of new policies and practices adopted; and
- percent of victims that reported satisfaction with services provided.

While one of the seven performance indicators seeks feedback from victims on their satisfaction with the services provided, the performance indicators are generally calculated or recorded to provide quantitative results and do not measure how effective the program is in improving the victims' well-being. At the time of our audit, the OVC planned to revise the performance indicators for this activity.

The International Terrorism Victim Expense Reimbursement Program (ITVERP) provides financial reimbursement for qualifying expenses to qualified U.S. citizens and government employees who suffered direct physical or emotional injury from an act of international terrorism while outside the United States. Victims and their families can file applications along with supporting documents for reimbursement of expenses with dollar limitations such as medical (including dental and rehabilitation costs), mental health, property loss, repair, or replacement, and other miscellaneous costs. Therefore, because this program simply provides reimbursement for specific items of incurred costs, there are no OVC performance indicators associated with the ITVERP.

Procedures to Review Performance Data

According to OMB Circular A-11, annual agency performance plans should include a description of how the agency intends to verify and validate the measured values of actual performance. The means used should be sufficiently credible and specific to support the general accuracy and reliability of the performance information that is recorded, collected, reported, reduce the risk of inaccurate performance data, and provide a sufficient level of confidence to Congress and the public that the information presented is credible.

The OVC has unwritten procedures to review data reported by grantees for its performance indicators, but not verify and validate all performance data reported. Our recent OIG reports found that CVF-funded grantees did not report performance accurately.²⁶ We found deficiencies such as:

- no support for verification and validation of performance data reported by the subrecipients to the grantee (Puerto Rico Department of Justice);
- incomplete performance statistics, data entry errors, and double counting (Iowa Department of Justice Office of the Attorney General Crime Victims Assistance Division);
- one performance report lacked 6 months of victim service information for 10 subrecipients (Iowa Department of Justice Office of the Attorney General Crime Victims Assistance Division); and
- under-reported and over-reported services provided to crime victims (Nebraska Commission on Law Enforcement and Criminal Justice and California Governor's Office of Emergency Services Subaward to the Indian Child Welfare Consortium).

²⁶ See Appendix 2 for the detailed audit findings for the OIG reports that discuss deficiencies with CVF grantees' programmatic and financial management practices.

According to a senior OVC official, as of FY 2016, the OVC began reviewing through contractor staff the performance data reported by both the Victim Assistance and Victim Compensation grantees. Prior to FY 2016, the OVC relied solely on its Program Specialists to review performance data and analyze progress report performance data for consistency. The senior OVC official told us that the OVC did not have the resources to verify the accuracy of the performance data reported by all grantees. However, the official told us the risk is mitigated through the OVC's oversight through its Program Specialists and contractor. We agree that a verification of performance data is beyond the capacity of the OVC staff and contractor.

At the time of our audit, the contractor reviewed for consistency the performance data reported in the progress reports for each victim assistance and victim compensation grantee, but not the other five activities. Contractor staff also assessed trends based on prior progress reports and the goals and objectives of the grants. For reported performance data that appeared inconsistent, the contractor contacted the grantee for clarifications and if needed, corrections.

A senior OVC official told us that the contractor would begin to review performance data for the other five activities as the OVC concludes its initiative to update performance indicators. In the meantime, Program Specialists were expected to review performance data through their monitoring activities. During such activities, Program Specialists were expected to review performance data for consistency and follow-up with grantees where needed.

We concluded that the OVC is making progress in strengthening the review of performance data. However, the review can be improved by documenting all of the procedures employed and, as soon as possible, expanding the review to encompass the other five CVF activities. Documented procedures for all program activities will ensure consistent evaluation of program data over time and help ensure a meaningful assessment of program effectiveness. We recommend that the OVC documents the procedures to review, verify, and validate the accuracy of the performance data reported for CVF activities.

Actions Taken to Measure the Effectiveness of Crime Victims Fund Grants

As part of OJP's commitment to maximizing effectiveness and efficiency among its programs and operations, OJP undertook a 3-year performance improvement effort, the Performance Management Initiative (PMI) that began in September 2013. The goal of the PMI is to integrate high-quality evidence into policy decisions, budget requests, strategic planning, performance reporting, and grant monitoring. This evidence is intended for use in ensuring accountability for results and showcasing programs and accomplishments. The PMI includes: developing a GPRAMA-aligned performance management framework; establishing collaborative governance committees among leadership, management, and staff to oversee implementation; streamlining data management across the bureaus and offices including data collection, validation, verification, analysis, and reporting; and updating policies or procedures. The three phases of implementation include framework development, pilot-testing, and full-scale implementation. OJP has

continued the performance improvement initiative beyond the initial 3-year time frame. As of October 2016, OJP reviewed the May 2016 results from OAAM's Performance Measurement and Progress Reporting Business Process Improvement (BPI) initiative.²⁷ OJP plans to integrate many of the BPI recommendations into what has now become a continuing performance improvement effort.

²⁷ OAAM assessed the Office of Community Oriented Policing Services', OJP's, and the Office on Violence Against Women's approaches to performance measurement and progress reporting. This assessment was intended to gain an understanding of the strategies, people, processes, and technology in place to support efforts to improve the efficiency and promote consistency. The assessment was also intended to assist the components in their performance measurement and progress reporting data analysis efforts and movement toward a grants management shared services model.

CONCLUSION AND RECOMMENDATIONS

OJP and the OVC have completed several actions designed to improve the management of the CVF programs. As summarized in Appendix 3, this included strengthening subrecipient monitoring, performance reporting, risk assessment processes, grantee training, and grantee oversight. However, we still identified risks associated with the management and oversight of CVF grantees, and with performance measurements for the CVF-funded programs.

Regarding the monitoring of CVF grants, we noted that the OVC generally met its requirement to annually monitor 10 percent of its grants. We also determined that OJP's OCFO was annually monitoring what appeared to be a reasonable number of CVF grantees. However, we found that OJP's historical onsite monitoring frequency of SAAs was inconsistent and fell short of targets it established. Largely because of resource limitations, during FYs 2012, 2013, and 2014, the OVC monitoring efforts principally relied on enhanced programmatic desk reviews and enhanced financial desk reviews rather than onsite monitoring. The OVC and the OCFO managers and staff believed that onsite monitoring provides more effective oversight, and during FYs 2015 and 2016 the level of onsite monitoring increased, which indicates that OJP may be on a trajectory to improve its historical trend if it maintains or increases this frequency. However, OJP has not established a strategy for ensuring that consistent onsite monitoring is provided for all SAAs on a reasonable and appropriate frequency that would ensure effective oversight over billions of CVF grant funds.

In addition, we identified risks associated with OJP's SAA monitoring procedures, particularly those pertaining to OJP's checks of grantees' financial management. Of particular concern, OJP has not verified SAA payouts of state funds for victim compensation as part of its routine monitoring activities. Because these payouts constitute the basis for annual Victim Compensation Program formula grants to SAAs, inaccurate payout data could result in millions of misallocated CVF compensation grants. To address some of these issues, we identified opportunities to enhance training for the OVC Program Specialists and the OCFO Financial Monitors. To ensure effective monitoring, we believe that OJP should implement continual training requirements for grant monitors, as well as cross-training for programmatic and financial monitoring staff. Instituting these improvements will help reduce the risk that deficiencies in SAA grant management are missed by OJP monitors during monitoring activities.

We also identified risks associated with performance measurements for the CVF-funded programs. OJP developed a CVF strategic goal and objectives consistent with the Department's strategic goals and objectives, but the CVF goal and objectives do not permit a full assessment of program results. Additionally, the strategic goal and objectives do not pertain to all the CVF activities and are not reported as part of OJP's budget. Performance indicators were not established for all of the CVF activities, and most indicators that were established focused on program outputs rather than outcomes. OJP plans to make improvements in these areas, but given the billions of CVF funds being allocated for various activities, we believe more progress is needed to ensure that the achievements and impact of

CVF-funded activities are identifiable to OJP, the Department, Congress, and the public.

We recommend that OJP:

1. Ensure that the OVC evaluate its monitoring practices to ensure the effectiveness and sufficiency of its reviews of program results and of State Administering Agencies' oversight of subrecipients' activities.
2. Establish an oversight strategy that ensures a consistent, reasonable, achievable, and risk-informed review cycle for onsite visits to State Administering Agencies on a frequency that facilitates effective and appropriate monitoring of CVF grant funds.
3. Ensure that the OVC establishes written procedures for the additional checklists, forms, and questionnaires used by formula Program Specialists when completing onsite monitoring activities of formula grants.
4. Ensure that the OVC develops improved instructions and training for Program Specialists when completing financial-related monitoring steps in the OJP standard onsite checklist.
5. Ensure that the OCFO develops improved instructions and training for Financial Monitors when completing financial monitoring steps in the OCFO onsite financial monitoring onsite checklist.
6. Ensure that the OVC and the OCFO develop written procedures for use in verifying the State Administering Agency certifications for the accuracy of total compensation payouts.
7. Strengthen grant management and financial training requirements for new and experienced Program Specialists and Financial Monitors by annually surveying those staff members regarding their training needs.
8. Develop training requirements that will allow for cross-training between the OVC Program Specialists and the OCFO Financial Monitors to ensure staff appropriately and consistently monitor and provide accurate and consistent guidance on the programmatic and financial aspects of the grant program.
9. Seek to establish CVF-strategic goal and objectives for CVF-funded activities reported in the budget that are outcome-oriented to allow for a meaningful future assessment of whether the strategic goal and objectives are being achieved.
10. Ensure that performance indicators are developed and results are reported for activities within the CVF decision unit.
11. Ensure that the OVC documents the procedures to review, verify, and validate the accuracy of the performance data reported for CVF activities.

STATEMENT ON INTERNAL CONTROLS

As required by the *Generally Accepted Government Auditing Standards*, we tested, as appropriate, internal controls significant within the context of our audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of the Office of Justice Programs (OJP), and the Office for Victims of Crime (OVC) internal controls was not made for providing assurance on their internal control structure as a whole. Management at these components is responsible for the establishment and maintenance of internal controls.

As noted in the Audit Results section of this report, we identified deficiencies in the components' internal controls that are significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affect OJP's ability to provide adequate training, perform grant monitoring, and evaluate program performance indicators.

Because we are not expressing an opinion on the OJP's and the OVC's internal control structure of these components as a whole, this statement is intended solely for the information and use of OJP and the OVC. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards*, we tested, as appropriate given our audit scope and objectives, selected transactions, records, procedures, and practices, to obtain reasonable assurance that OJP and the OVC complied with federal laws and regulations, for which noncompliance, in our judgment, could have a material effect on the results of our audit. OJP and OVC are responsible for ensuring compliance with applicable federal laws and regulations. In planning our audit, we identified the following laws and regulations that concerned the operations of the auditees and that were significant within the context of the audit objective:

- Government Performance and Results Act of 1993 (GPRA)
- Government Performance and Results Modernization Act of 2010 (GPRAMA)
- Office of Management and Budget Circular A-11 (OMB)

Our audit included examining, on a test basis, the OJP's and the OVC's compliance with the aforementioned laws and regulations that could have a material effect on these operations, through interviewing OJP and OVC personnel, assessing internal control processes and procedures, and analyzing OJP and OVC records. As noted in the Audit Results section of this report, we found that OJP did not comply with both the GPRA and GPRAMA, and OMB Circular A-11. Specifically, the CVF program strategic goal and its objectives are not outcome-oriented and expressed in a quantitative, directly measurable form accompanied by indicators, targets, and timeframes to allow for a future assessment of the impact of the program, and whether the goal and objectives are being achieved. Also, OJP did not report performance indicators for five of the seven CVF program activities in its budgets.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to assess the risk associated with OJP's management of the funding increases in the Crime Victims Fund (CVF).

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 on our audit objective.

Our audit concentrated on, but was not limited to, the period from Fiscal Years (FY) 2011 through 2016. Our audit encompassed reviewing OJP control processes in place for oversight and monitoring of the CVF under the formula, non-formula, and tribal grants. We performed our work at OJP's headquarters in Washington, D.C. To understand processes and practices, we interviewed OJP managers and staff from its Office for Victims of Crime (OVC), Office of the Chief Financial Officer (OCFO), and Office of Audit, Assessment, and Management (OAAM), and performed the following work:

- Reviewed the current applicable controls and corresponding policies and procedures in place for the solicitation, peer review, award, and oversight and monitoring of CVF under the formula, non-formula, and tribal grants, where applicable.
- Reviewed performance measures and training for staff, grantees, and subrecipients.
- Reviewed the monitoring and oversight of grants and subrecipients, and statistics on the number of onsite reviews, and the time spent conducting the onsite monitoring reviews.
- Reviewed the process for selecting grantees for programmatic and financial monitoring reviews.
- Reviewed the process, sources of data, and formulas used to compute the CVF fund allocations to states for victim assistance and victim compensation grants, and evaluated the appropriateness of the computations and allocations.
- Reviewed OJP, OVC, and OCFO guidance, procedures, laws, and a circular governing monitoring and training of staff, grantees, subrecipients, and monitoring plans regarding performance indicators.

- Obtained information and statistics on: (1) CVF formula, non-formula, and tribal solicitations; (2) OVC's programmatic monitoring desk reviews and enhanced programmatic desk reviews, and monitoring onsite reviews; (3) OCFO's financial monitoring desk reviews and enhanced financial desk reviews, and financial monitoring onsite reviews; (4) OJP's staffing resources for oversight and monitoring of CVF grants; and (5) the development of performance indicators to determine the effectiveness of the CVF formula, non-formula, and tribal grants.
- Determined if OJP had developed an adequate CVF strategic goals and objectives. To perform this test, we obtained OJP's FY 2016-2018 Strategic Plan and the Department's FY 2014 - 2018 Plan. We then compared the CVF strategic goal and objectives in OJP's plan to the strategic goals and objectives in the Department's plan to ensure OJP's CVF goal and objectives were consistent with those of the Department. We also reviewed OJP's CVF strategic goal and objectives to determine if they were outcome-oriented and expressed in an objective, quantitative, and directly measurable form, and included performance indicators, targets, and time frames as required by Office of Management and Budget Circular A-11 to allow for a future assessment of whether the goal and objectives were being achieved. Further, we also reviewed OJP's CVF strategic goal and objectives to determine whether the goal and objective address all CVF-funded activities described in OJP's FY 2015, FY 2016, and FY 2017 annual performance budgets submitted to Congress.
- Determined if OJP had developed performance indicators and reported performance results for the activities within the CVF decision unit included in its budget requests. To perform this test, we obtained OJP's FY 2015, FY 2016, and FY 2017 congressional budget submissions. We then reviewed the budgets to determine if OJP developed performance indicators and reported performance results for the activities within the CVF decision unit.
- Determined if OJP had developed adequate CVF formula, non-formula, and tribal solicitations performance indicators to measure the effectiveness of the programs. To perform this test, we obtained OJP's FY 2014, FY 2015, and FY 2016 CVF formula, non-formula, and tribal solicitations, where applicable. We then reviewed the CVF formula, non-formula, and tribal solicitations to determine if the performance indicators were adequate to measure the effectiveness of the respective programs, and whether OVC's initiative to revise their CVF performance indicators resulted in indicators that adequately measure the effectiveness of the programs.
- Determined if OJP had developed an effective system to collect, track, and report performance data related to its performance indicators. To perform this test, we interviewed an official from OJP and reviewed the Grants Management System and Performance Measurement Tool system data used to collect, track, and report performance data related to its performance indicators.

- Determined if OJP had established procedures to review, verify, and validate the performance data related to its performance indicators. To perform this test, we interviewed an official from OJP and reviewed the various programmatic monitoring checklists.

APPENDIX 2

RECENT OIG REPORTS OF CRIME VICTIMS FUND GRANTEES AND SUBRECIPIENTS

OIG Reports	Report Findings
Audit of Office of Justice Programs Grants Awarded to the Puerto Rico Department of Justice, San Juan, Puerto Rico, Issued September 2015	• Lacked sufficient staff with appropriate training and experience needed to administer the grants. • Lacked sufficient policies and procedures to administer federal grants that resulted in the grantee's inability to completely implement and maximize the use of the federal funds. • Did not submit timely and accurate financial status reports as some of the expenditures were not recorded in the accounting system for as long as 8 months. • Commingled federal grant funds with funds from other sources. • Missed funding opportunities for victim service needs totaling more than \$3.6 million by failing to put to use almost \$3.3 million in victim assistance grant funds, which were deobligated, and drawing down almost \$350,000 in excess funds that were neither used nor returned to OJP. • Single audit reports documented findings that were similar to those reported in the OIG audit. The single audits reported: (1) inadequate support for expenditures; (2) no formal process for the receipt, review, and evaluation of single audit reports of subrecipients; (3) lack of monitoring of subrecipients; (4) insufficient accounting system and financial records to prepare financial statements; and (5) inappropriate or incomplete month-end and year end closing procedures. • Did not perform bank reconciliations to determine the current balance of the grants. • Did not allocate grant funds based on the needs of the criminal justice agencies or according to a strategic plan to address crime. • Did not adequately monitor its subrecipients to ensure that the projects had been implemented and were on track towards completion or that the grant funds were being used according to the grant requirements. • No evidence that program managers

OIG Reports	Report Findings
	verified and validated performance data reported by the subrecipients to the grantee, which prohibited management from expressing an opinion on the goals and accomplishments of the grants.
Audit of the Office of Justice Programs Victim Assistance Formula Grants Awarded to the California Governor's Office of Emergency Services, Mathers, California, Issued January 2016	• Unable to provide support for two project reports and one timesheet that was not signed and approved by the employee and supervisor resulting in \$5,636 in questioned payroll expenditures, including fringe benefits. • Reimbursed more indirect cost than was incurred resulting in \$41,606 in questioned unsupported reimbursements. • Reported indirect cost expenditures inaccurately on Federal Financial Reports. • Failed to provide adequate oversight and monitoring of subrecipients including failure to readily provide an accurate list of monitored subrecipients receiving funds, failure to ensure monitoring reports are issued timely, and failure to demonstrate that its subrecipients used grant funding as intended. • Did not comply with internal policies and procedures for monitoring of subrecipients and contractors. • State funds budgeted for victim's services were not fully expended prior to the use of federal funds resulting in \$445,186 in unallowable questioned expenditures as an indication of supplanting. • Failed to eliminate the conflict of interest in the awarding process by removing subrecipients from the funding decisions. • Did not retain sufficient documentation to support the methodology used to determine subrecipient funding allocations for non-competitive funding decisions to ensure decisions are free of undue influence and are fair and transparent.
Audit of the Office of Justice Programs Victims of Crime Act Grant Sub-Awarded by the California Governor's Office of Emergency Services To Two Feathers Native American Family Services, McKinleyville, California, Issued March 2016	• Charged rent, auto insurance premiums, and other expenditures totaling \$6,324 and \$258,338 in salary and fringe benefit costs that were not based on actual expenditures, but rather an unsupportable allocation methodology. As a result, we questioned a total of \$264,662 in unsupported allocation methodologies.

OIG Reports	Report Findings
Audit of the Office of Justice Programs Victim Assistance and Victim Compensation Formula Grants Awarded to the Iowa Department of Justice Office of the Attorney General Crime Victim Assistance Division, Des Moines, Iowa, Issued August 2016	• Subrecipients perceived that a paid membership to one of two coalitions is a pre-requisite to obtain victim assistance funding from the grantee, and are based on a flat percent of a subrecipient's victim assistance operating budget. • Statistical sections in the victim assistance performance reports reviewed had incomplete performance statistics, data entry errors, and double counting. Also, one performance report lacked 6-months of victim service information for 10 subrecipients. • Values reported in the most current victim compensation grant annual report to OJP could not be verified to source documents.
Audit of the Office of Justice Programs Office for Victim of Crime Grants Awarded to the Delaware Criminal Justice Council, Wilmington, Delaware, Issued August 2016	• Subrecipients were not always reimbursed in a timely manner forcing them to use other funding streams to cover expenses while waiting for reimbursement.
Audit of the Office of Justice Programs Victim Assistance and Victim Compensation Formula Grants Awarded to the Utah Office for Victim of Crime, Salt Lake City, Utah, Issued October 2016	• The grantee did not verify a subrecipient's suspension or debarment status in the System for Award Management prior to making subawards. • Victim compensation expenditures were commingled with non-federal funds. • Federal Financial Reports reviewed were overstated by as much as \$392,435 and understated by as much as \$5,170,095.
Audit of the Office of Justice Programs Victim Assistance and Victim Compensation Formula Grants Awarded to the Nebraska Commission on Law Enforcement and Criminal Justice, Lincoln, Nebraska, Issued November 2016	• Identified \$87,647 in unallowable personnel costs, \$5,263 in unallowable payments, and \$2,834 in unsupported payments from the assistance awards to subrecipients. • A victim assistance performance report showed that the number of victims that received services for one fiscal year was overstated by a cumulative total of 10,062 victims. • Drawdowns were not always timed to ensure that federal cash on hand was the minimum needed for disbursements, and the drawdowns for five of the six awards exceeded the recorded expenditures by \$1,158 and was unsupported by accounting records. • There was a potential conflict of interest where members voted to award VOCA

OIG Reports	Report Findings
	funding to subrecipients they are employed by or represent.
Audit of the Office of Justice Programs Office for Victim of Crime Assistance Grants Awarded to the Office of Victim Services and Justice Grants, Washington, DC, Issued February 2017	• Charged the VOCA assistance program grants \$152,807 in salary and benefits costs based on timekeeping and payroll budget projection, instead of actual time employees worked on the VOCA grants. • A subrecipient charged health benefits to the VOCA program that were unallowable.
Audit of the Office of Justice Programs Victim Assistance Formula Grants Sub-Awarded by the California Governor's Office of Emergency Services to the Indian Child Welfare Consortium, Temecula, California, Issued February 2017	• Did not appropriately manage subrecipients and did not demonstrate adequate progress towards achieving the subrecipient's stated goals and objectives. • Financial records were not auditable. • Maintained two sets of accounting records that could not be reconciled to each other, and there were significant differences between the two sets of records. • Lacked or had insufficient policy or procedures to adequately safeguard sub-grant funds regarding (1) processing and payment of payables, (2) requests for reimbursements, (3) payroll, (4) match transactions, (5) contract administration, and (6) financial reporting. • Lacked separation of duties among financial functions that should remain segregated and vital security precautions in the financial management system. • Failed to maintain properly authorized or adequately supported invoices for \$19,554. • Grantee incorrectly identified the subrecipient as residing on the Indian reservation that reduced the in-kind match requirement from 20 percent to 5 percent. Therefore, there was a match shortfall totaling \$77,473 across 4 subrecipients. • Suspended from receiving federal assistance because one of their primary contractors potentially misused funding. • Did not have a contract administration system in place that resulted in \$433,758 in excessive compensation paid to a contractor and a less-than

OIG Reports	Report Findings
	arm's length relationship between the subrecipient's contractor and Executive Director, who were married. • Subrecipients under-reported and over-reported services provided to crime victims in progress reports. • Questionable time charges for work related to the program and, in turn, supporting documents for those time charges did not appear authentic for 3 subrecipients as they appeared to have been photocopied from previous clients and others were whited out and written over with different case file numbers. Overall, because of these significant issues, we question \$452,464 related to the grantee subrecipients.
Audit of the Office of Justice Programs, Children's Justice Act Partnership and Comprehensive Tribal Victim Assistance Grants Awarded to the Iowa Tribe of Oklahoma, Perkins, Oklahoma, Issued March 2017	• Paid unbudgeted employee bonuses from 2 grants totaling \$1,780, transferred \$718 between approved budget categories in excess of 10 percent of the total grant amount for one grant without approval from OJP, and expended \$129,037 in federal funds from 3 grants prior to release of special conditions, which restricted expenditures. As a result of these deficiencies, the audit identified a total of \$131,535 in unallowable questioned costs.
Audit of the Office of Justice Programs Office for Victim of Crime Assistance Grants Awarded to the Rhode Island Department of Public Safety Grant Administration Office, Providence, Rhode Island, Issued March 2017	• Failed to monitor its subrecipients to ensure that subrecipients provided complete and accurate financial and performance data. Specifically, did not request or require subrecipients to provide documentation supporting the financial and performance information. • Management did not always review employee time sheets for accuracy of charges to specific VOCA grants. • Two subrecipients' timesheets had no documentation to support the allocation of VOCA expenditures totaling \$39,837, and one subrecipient reimbursed a second-tier subrecipient for \$2,987 in unallowable expenditures specific to nominal value gifts and food costs.

Source: OIG

APPENDIX 3

ADDITIONAL ACTIONS TAKEN TO IMPROVE THE MANAGEMENT OF CRIME VICTIMS FUND GRANTS

Performance Improvement Area	Action Taken by the OVC
Require Victim Assistance Grant Subrecipient Monitoring Plans	Revised FY 2015 VOCA Victim Assistance Program Formula Solicitation to include the following language: States and territories will provide a plan for monitoring subrecipients.
Plan for collecting data for performance measures	Revised FY 2015 VOCA Victim Assistance and VOCA Victim Compensation Program Formula Solicitations: Beginning October 1, 2015, award recipients will be required to provide relevant data by submitting quarterly performance metrics through the OVC online Performance Measurement Tool.
Measure of performance and effectiveness of grants	Revised FY 2015 VOCA Victim Assistance and VOCA Victim Compensation Program Formula Special Conditions: Draft performance standards required that the recipient must collect, maintain, and provide to OJP, data that measure the performance and effectiveness of activities under this award, in the manner, and within the timeframes, specified in the program solicitation, or as otherwise specified by OJP. Performance standards were finalized in FY 2016.
Increase frequency of reporting and improve assessing the effects of victim assistance funds on crime victim services	Revised FY 2015 VOCA Victim Assistance Formula Program Special Conditions: The recipient agrees to submit (and, as necessary, require subrecipients to submit) performance reports on the performance metrics identified by the OVC, and in the time and manner required by the OVC. Beginning October 1, 2015, the recipient agrees to submit such information quarterly.
Prepare quarterly risk indicator reports	In October 2016, with OVC management input, OAAM drafted its first quarterly risk indicator report to identify and address potential concerns with grantees. This effort was modeled after the reports produced for the Recovery Act programs. It provides a summary of number and dollar amounts of awards and includes other information such as draw down activity trends, financial and progress report delinquencies, risk scores, performance data and issues, and other grantee characteristics. OAAM expect the report to be finalized and operational in the early part of the second quarter of FY 2017.
Expand applicant questions regarding management and monitoring of the subaward process	In December 2016, OJP planned to expand the Financial Management and System of Internal Controls Questionnaire to obtain a better understanding of an applicant's management and monitoring of the subaward process.
Require grantees to obtain OJP approval for all subawards	For all FY 2016 awards, OJP added a special condition to the award package that requires grantees to obtain OJP approval, either through the application process or through a grant adjustment notice, for all subawards.

Performance Improvement Area	Action Taken by the OVC
For all existing, new, designated high risk, and pre-award high risk rated grantees, require that grant points of contact or and financial points of contact complete Grants Financial Management training ²⁸	For all FY 2016 awards, OJP added special conditions to award packages to require that grant points of contact and financial points of contact complete Grants Financial Management training after January 1, 2015 or if the registered grant points of contact or financial points of contact change. Grant funds may be frozen if the training is not completed.
Establish a quality review process within OJP to evaluate the overall quality of the monitoring site visit work completed by Program Specialists	In FY 2017, OAAM plans to launch a quality review process to measure the overall quality of the Program Specialists' monitoring site visit work. This is intended to include evaluating older onsite reviews work against the onsite reviews that occurred after monitoring checklists were revised and Program Specialists were trained in using those checklists. OAAM plans to conduct the quality review quarterly.
Establish guidance for subrecipient management and monitoring	In the summer of 2015, a working group updated the DOJ Financial Guide regarding Subrecipient Management Monitoring to include guidance on the pre-award through post-award activities for subrecipients.

Source: OJP and Office of the Inspector General Analyses

²⁸ Beginning in calendar year 2017, OJP will offer award recipients and members of their organizations two Advanced Financial Management training seminars. The 2-day optional seminars will covers topics ranging from the types of financial monitoring reviews performed, the grant selection and preparation processes to completing the risk assessment and common errors uncovered during the reviews. To qualify for the advanced training, award recipients must have completed the Financial Management training either in person or on-line.

APPENDIX 4

FY 2016 VICTIM ASSISTANCE PERFORMANCE INDICATORS

Objective	Performance Indicators	Data Grantee Provides
To provide direct services to crime victims	Number of individuals who received services	Number of individuals who received services
	Number of new individuals that received services	Number of new individuals that received services
	Victim demographics such as race/ethnicity, gender, and age	Victim demographics such as race/ethnicity, gender, and age
	Number of individuals who received services by victimization type	Number of victims who received services by type of victimization such as arson, burglary, child pornography, terrorism, homeless
	Number of individuals assisted with a victim compensation application	Number of individuals assisted with a victim compensation application
	Types of services provided by your organization	Types of services provided by your organization
	Number of individuals who received services by service type and number of times each service was provided	Number of individuals who received services by service type and number of times each service was provided
	Number of individuals who received services in areas such as the criminal justice process, victim right, victim service programs	Number of individuals who received services in areas such as the criminal justice process, victim right, victim service programs
	Number of individuals who received services in such areas as victim advocacy/accompaniment to emergency medical care and medical forensic exams, immigration assistance, transportation assistance	Number of individuals who received services in such areas as victim advocacy/accompaniment to emergency medical care and medical forensic exams, immigration assistance, transportation assistance
	Number of individuals who received emotional and support services in such areas as crisis intervention, individual counseling, support groups	Number of individuals who received emotional and support services in such areas as crisis intervention, individual counseling, support groups
	Number of individuals who received shelter/housing services in such areas as emergency shelter or safe housing, relocations assistance	Number of individuals who received shelter/housing services in such areas as emergency shelter or safe housing, relocations assistance
	Number of individuals who received criminal/civil justice system assistance in areas such as victim impact statement assistance, assistance with restitution, civil legal assistance in obtaining protection and restraining orders, law enforcement interview advocacy/accompaniment	Number of individuals who received criminal/civil justice system assistance in areas such as victim impact statement assistance, assistance with restitution, civil legal assistance in obtaining protection and restraining orders, law enforcement interview advocacy/accompaniment

Source: The OVC Solicitation

Victim Assistance Narrative Questions
1. Number of requests for services that were unmet because of organizational capacity issues.
2. Does your organization formally survey clients for feedback on services received? Yes No (proceed to Question 5)
3. Number of surveys distributed (includes, but is not limited to, those distributed by hand, mail, or other methods).
4. Number of surveys completed.
5. Please discuss some of the challenges your victim assistance program faced during the course of the Federal fiscal year.
6. Please describe some of the services that victims needed but you could not provide. What were the challenges that prevented you from providing those services?

Source: The OVC Solicitation

APPENDIX 5

FY 2016 VICTIM COMPENSATION PERFORMANCE INDICATORS

Objective	Performance Indicators	Data Grantee Provides
(1) Grant awards to support state crime victim compensation programs; (2) Grant funds to help pay for some of the expenses resulting from crimes involving violence or abuse	Number of people for whom an application filed benefits	Number of people for whom an application filed benefits
	Number of victims whose victimization is the basis for the application	Number of victims whose victimization is the basis for the application
	Victim demographics such as race/ethnicity, gender, and age	Victim demographics such as race/ethnicity, gender, and age
	Number of new applications received	Number of new applications received
	Number of new applications approved	Number of new applications approved
	Number of applications denied/closed	Number of applications denied/closed
	Number of applications received for sexual assault forensic examinations	Number of applications received for sexual assault forensic examinations
	Total number of applications paid by type of crime	Total number of applications paid by type of crime
	Total amount paid for each expense category by crime type	Total amount paid for each expense category by crime type
	Whether the crime was related to domestic violence, bullying, hate crimes, elder abuse, or mass violence	Whether the crime was related to domestic violence, bullying, hate crimes, elder abuse, or mass violence

Source: The OVC Solicitation

Victim Compensation Narrative Questions
1. Please explain any significant change in the number of applications received during the reporting period.
2. The average length of time to process an application for claim eligibility for compensation (Processing time is based on a state's established procedure.)
3. Does your state have a victim satisfaction survey? A. Yes/No (If yes, go to B; if no, go to Q4) B. Number of victim satisfaction surveys distributed during the reporting period. C. Number of victim satisfaction surveys completed during the reporting period. D. Number of surveys that indicated satisfaction with the victim compensation program during the reporting period
4. Please describe any emerging/major issues or notable trends that were encountered in your state that had an impact on your program's ability to meet the needs of crime victims during the reporting period.
5. Please describe in detail efforts taken to serve Victims of Federal Crime during the reporting period.
6. Please describe any notable activities during the reporting period that improved the process of victim compensation services.

Victim Compensation Narrative Questions	
7.	Please describe in detail ways in which your state used VOCA Administrative funds and the impact of these funds on the state's ability to improve victim compensation services during the reporting period.
8.	Were there any laws, initiatives, or policy changes in your state regarding victim compensation during the reporting period? If yes, please briefly describe them and their impact.
9.	Please describe system-coordination efforts with prosecutors, law enforcement, courts, U.S. Attorneys' Offices, tribal systems, State VOCA Victim Assistance Coordinator, or other key personnel within the criminal justice system in your state to reduce barriers to victims who may apply to receive victim compensation.
10.	Please explain any public outreach efforts to improve awareness of your program.
11.	Please list any other outcome measure(s) that are reported to the Governor, legislature, or other state entity that have not been reported in this submission. Provide the actual measure(s). The data may be reported separately in your progress report.
12.	Please provide any additional comments that are helpful to improving the Victim Compensation state and/or Federal program.

Source: The OVC Solicitation

OFFICE OF JUSTICE PROGRAMS'
RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of the Assistant Attorney General

Washington, D.C. 20531

SEP 15 2017

MEMORANDUM TO: Michael E. Horowitz
Inspector General
United States Department of Justice

THROUGH: Jason R. Malmstrom
Assistant Inspector General for Audit
Office of the Inspector General
United States Department of Justice

FROM: Alan R. Hanson *ARH*
Acting Assistant Attorney General

SUBJECT: Response to the Office of the Inspector General's Draft Audit
Report, *Audit of Risks Associated with the Office of Justice
Programs' Management of the Crime Victims Fund Grant
Programs*

This memorandum provides a response to the Office of the Inspector General's (OIG) August 23, 2017, draft audit report entitled, *Audit of Risks Associated with the Office of Justice Programs' Management of the Crime Victims Fund Grant Programs*. The Office of Justice Programs (OJP) appreciates the opportunity to review and comment on the draft report.

Ensuring proper oversight of grant funds and administering those funds in the most fair and transparent way possible is one of OJP's highest priorities. OJP utilizes a comprehensive risk-based grant oversight process to assess and manage OJP's grant portfolio and guard against waste, fraud, and abuse. Annually, OJP assesses its processes and refines internal controls and risk management tools, as appropriate, to ensure continuous improvement.

The Office for Victims of Crime has taken a number of steps to address the risks associated with the large increases of the Crime Victims Fund (CVF), including working with OJP's Office of Audit, Assessment, and Management (OAAM), Enterprise Risk Management (ERM) team to develop a monitoring oversight strategy for State Administering Agencies (SAA), develop additional tools to guide programmatic and financial monitoring efforts, and provide training to OVC Program Specialists responsible for programmatically monitoring CVF grants. In addition, OVC recently published the Victims of Crime Act (VOCA) Victim Assistance Program final rule which provides guidance to SAA's regarding the states' responsibilities for monitoring of sub-recipients.

The draft audit report contains eleven recommendations. For ease of review, these recommendations are summarized below and followed by OJP's response.

1. **Ensure that the OVC evaluate its monitoring practices to ensure the effectiveness and sufficiency of its reviews of program results and of State Administering Agencies' oversight of subrecipients' activities.**

The Office of Justice Programs agrees with this recommendation. As part of the Fiscal Year (FY) 2017 VOCA Victim Assistance formula grant application, OVC required SAAs to describe their monitoring activity of sub-awards in 2016. OVC will request the same information in Fiscal Year 2018. In addition, to clarify SAA responsibilities for subrecipient monitoring, in July 2017, OAAM issued guidance to grant recipients regarding prime recipient responsibilities for the oversight of subrecipient activities.

The Office for Victims of Crime will continue to coordinate with OAAM and OCFO to evaluate the effectiveness of its monitoring practices to ensure the effectiveness and sufficiency of its reviews of program results and of SAA oversight of subrecipients' activities. Based on the results of that coordination, OVC will implement additional monitoring practices as deemed necessary.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

2. **Establish an oversight strategy that ensures a consistent, reasonable, achievable, and risk-informed review cycle for onsite visits to State Administering Agencies on a frequency that facilitates effective and appropriate monitoring of CVF grant funds.**

The Office of Justice Programs agrees with this recommendation. In May 2017, OAAM began developing a comprehensive, risk-informed monitoring oversight strategy for SAAs. The strategy includes specific goals for onsite monitoring. By the end of FY 2018, OAAM anticipates completing development and fully implementing the oversight strategy.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

3. **Ensure that the OVC establishes written procedures for the additional checklists, forms, and questionnaires used by formula Program Specialists when completing onsite monitoring activities of formula grants.**

The Office of Justice Programs agrees with this recommendation. OVC's State Compensation and Assistance Team will update its current programmatic checklists to include more detailed written procedures for use by Program Specialists when completing onsite or remote/EPDRs of formula grants. In addition, to the extent practicable, OVC will work with OAAM to consolidate the additional checklists with the OJP standard checklist.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

4. **Ensure that the OVC develops improved instructions and training for Program Specialists when completing financial-related monitoring steps in the OJP standard onsite checklist.**

The Office of Justice Programs agrees with this recommendation. During the third quarter of FY 2017, OAAM trained OVC Program Specialists on the financial questions on the OJP standard onsite checklist. OVC will determine if additional training is needed regarding the financial-related monitoring steps, and will coordinate with OAAM for additional training as deemed necessary.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

5. **Ensure that the OCFO develops improved instructions and training for Financial Monitors when completing financial monitoring steps in the OCFO onsite financial monitoring onsite checklist.**

The Office of Justice Programs agrees with this recommendation. OCFO has a comprehensive site visit checklist to guide financial monitors in monitoring DOJ grants. This detailed checklist serves as both a guide and a procedures document for the site visit. OCFO requires financial monitors to complete the checklist properly, as it is the primary working paper/support documentation for the site visit.

To ensure that financial monitors are adequately trained, OCFO uses a structured orientation and training schedule for all new financial monitors, which includes training on the use of the site visit checklist. Specifically, as part of the training, new financial monitors perform a pre-site visit review and complete the steps in the checklist under supervisory review. The training plan also identifies training courses to be taken in the first several weeks of assignment as a new financial monitor.

By December 31, 2017, OCFO anticipates completing development of additional checklist items/procedures specifically for the review of the Crime Victim Compensation State Certification Form. Once the additional procedures are developed, OCFO will incorporate the procedures into the existing training program.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

6. **Ensure that the OVC and the OCFO develop written procedures for use in verifying the State Administering Agency certifications for the accuracy of total compensation payouts.**

The Office of Justice Programs agrees with this recommendation. By March 2018, OVC will work with OCFO to review the Victim Compensation State Certification Form and

develop written procedures for reviewing the certifications for the accuracy of total compensation payouts.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

7. **Strengthen grant management and financial training requirements for new and experienced Program Specialists and Financial Monitors by annually surveying those staff members regarding their training needs.**

The Office of Justice Programs agrees with this recommendation. Subject to the availability of funds, OCFO requires that all grants financial management personnel complete an established Federal Financial Management Certificate Program consisting of a number of grants management and auditing courses to ensure staff have the technical knowledge needed to perform their work effectively. In addition to this certificate, OCFO has a comprehensive annual training plan to guide OCFO management's assessment of staff training needs.

OCFO is in the process of working with OAAM and OJP's Human Resource Division to develop a formal OJP policy on training requirements for grants financial management personnel. To further strengthen annual training needs assessment efforts, OJP will develop a process for annually surveying Program Specialists and Financial Monitors regarding their specific training needs related to monitoring.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

8. **Develop training requirements that will allow for cross-training between the OVC Program Specialists and the OCFO Financial Monitors to ensure staff appropriately and consistently monitor and provide accurate and consistent guidance on the programmatic and financial aspects of the grant program.**

The Office of Justice Programs agrees with this recommendation. Since FY 2015, OCFO has coordinated with OJP program offices to obtain an overview of OJP programs for financial monitoring staff to keep abreast of program changes and provide program offices with updates on financial monitoring procedures. OCFO will continue these presentations with all program offices annually and will work with program offices, beginning with OVC, to formalize and document plans and agendas for these cross training efforts. OCFO anticipates completion of these written training requirements by March 31, 2018. As part of the development and guidance to be provided for Recommendations 3 through 7, OAAM will also work with OVC and OCFO to develop a process to cross-train financial and programmatic monitors on the financial and programmatic requirements related to programs administered under Crime Victims Fund grant programs.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

9. **Seek to establish CVF-strategic goal and objectives for CVF-funded activities reported in the budget that are outcome-oriented to allow for a meaningful future assessment of whether the strategic goal and objectives are being achieved.**

The Office of Justice Programs agrees with this recommendation. OVC is currently working with the OCFO to establish outcome-oriented CVF strategic goal and objectives for an OVC plan that will align the CVF goal and objectives under the Department's Strategic Plan. This will include specific objectives for the major CVF-funded activities such as Improving Services for Victims of Crime in the Federal Criminal Justice System and Implementation of the Vision 21 Initiative.

OVC has already partnered with the Justice Research and Statistics Association to create a national resource center focused on research and evaluation activities for victim service providers. Through the partnership, the OVC plans to gather outcome-oriented program evaluations to better assess overall program effectiveness and progress toward meeting the CVF strategic goal and objectives.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

10. **Ensure that performance indicators are developed and results are reported for activities within the CVF decision unit.**

The Office of Justice Programs agrees with this recommendation. OVC will work with the OCFO to develop new performance indicators to more accurately measure performance as it relates to the revised CVF strategic goal and objectives. These revised performance indicators, along with other documentation, will enable OVC to track, interpret, and improve progress toward meeting the CVF strategic goal and objectives.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

11. **Ensure that the OVC documents the procedures to review, verify, and validate the accuracy of the performance data reported for CVF activities.**

The Office of Justice Programs agrees with this recommendation. OVC currently has a detailed four-step analytic validation process, which includes automated system validations, verification through data analysis, and detailed reviews by grant managers. These processes will be reviewed and documented to ensure that best practices are being followed at all steps. OVC will continue its efforts to strengthen the process for reviewing, verifying, and validating the accuracy of all performance data, including grantee-reported data. In addition, OVC will continue working with OAAM and OFCO to incorporate questions, as appropriate, into the OJP standard monitoring checklist to review, verify, and validate the accuracy of performance data reported for CVF activities during in-depth monitoring.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

Thank you for your continued support and assistance. If you have any questions regarding this response, please contact Ralph E. Martin, Director, Office of Audit, Assessment, and Management, at (202) 305-1802.

cc: Maureen A. Henneberg
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OJP Executive Secretariat
Control Title IT20170825150501

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

The Department of Justice (Department) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP). OJP's response is incorporated in Appendix 6 of this final report. In response to our audit report, OJP concurred with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure that the OVC evaluate its monitoring practices to ensure the effectiveness and sufficiency of its reviews of program results and of State Administering Agencies' oversight of subrecipients' activities.**

Resolved. OJP concurred with our recommendation. OJP stated that, as with Fiscal Year (FY) 2017, it will require State Administering Agencies (SAA) that apply for Victims of Crime Act of 1984 (VOCA) Victim Assistance formula grants to describe their monitoring activities for sub-awards in FY 2018. OJP stated that the Office of Audit, Assessment, and Management (OAAM) issued guidance to grant recipients regarding the prime recipient responsibilities for the oversight of subrecipient activities. OJP also stated that the Office for Victims of Crime (OVC) will continue to coordinate with the OAAM and the Office of the Chief Financial Manager (OCFO) to evaluate the effectiveness of its monitoring practices to ensure the effectiveness and sufficiency of its reviews of program results and of SAA oversight of subrecipients' activities. Based on the results of that coordination, the OVC will implement additional monitoring practices as deemed necessary.

This recommendation can be closed when we receive evidence showing that: (1) the OVC coordinated with the OAAM and OCFO to evaluate the effectiveness of its monitoring practices, and (2) any additional monitoring practices resulting from the OAAM and OCFO coordination efforts were implemented.

- 2. Establish an oversight strategy that ensures a consistent, reasonable, achievable, and risk-informed review cycle for onsite visits of State Administering Agencies on a frequency that facilitates effective and appropriate monitoring of CVF grant funds.**

Resolved. OJP concurred with our recommendation. OJP stated that in May 2017, the OAAM began developing a comprehensive, risk-informed monitoring oversight strategy for SAAs that would include specific goals for onsite monitoring. By the end of FY 2018, OJP stated that the OAAM hopes to complete and implement the oversight strategy. The OJP did not provide additional details regarding its strategy, but we will work with OJP on obtaining this information to ensure it adequately addresses our recommendation.

This recommendation can be closed when we receive evidence that the OAAM completed and implemented a comprehensive, risk-informed monitoring strategy for SAAs that includes specific goals for onsite monitoring, and ensures a consistent, reasonable, and achievable review cycle for onsite visits of SAAs on a frequency that facilitates effective and appropriate monitoring of CVF grant funds.

- 3. Ensure that the OVC establishes written procedures for the additional checklists, forms, and questionnaires used by formula Program Specialists when completing onsite monitoring activities of formula grants.**

Resolved. OJP concurred with our recommendation. OJP stated that the OVC plans to update its current programmatic checklists including more detailed written procedures for use by Program Specialists when completing onsite or Enhanced Programmatic Desk Reviews of formula grants. OJP also stated that, to the extent practicable, the OVC plans to work with the OAAM to consolidate the additional checklists with the OJP standard onsite checklist.

This recommendation can be closed when we receive evidence showing that: (1) the OVC updated and implemented its current programmatic checklist with more detailed written procedures, and (2) the OVC and OAAM efforts to consolidate the additional checklists with OJP's standard onsite checklist were implemented.

- 4. Ensure that the OVC develops improved instructions and training for Program Specialists when completing financial-related monitoring steps in the OJP standard onsite checklist.**

Resolved. OJP concurred with our recommendation. OJP stated that in the third quarter of FY 2017, the OAAM trained OVC Program Specialists on the financial questions from the OJP standard onsite checklist. OJP also stated that the OVC would determine if additional training is needed regarding the

financial-related monitoring steps and coordinate with the OAAM for additional training as deemed necessary.

This recommendation can be closed when we receive evidence showing: (1) the OVC performed additional training for Program Specialists on financial-related monitoring steps in the OJP standard onsite checklist; and (2) the results of the coordination with the OAAM for additional and ongoing training identified for Program Specialists, and that additional and ongoing training on financial-related monitoring steps was implemented.

5. Ensure that the OCFO develops improved instructions and training for Financial Monitors when completing financial monitoring steps in the OCFO onsite financial monitoring onsite checklist.

Resolved. OJP concurred with our recommendation. OJP stated that the OCFO had a comprehensive site visit checklist to guide Financial Monitors in monitoring Department of Justice grants, and the checklist serves as both a guide and a procedures document for the site visit. OJP stated that the OCFO provides structured training for all new Financial Monitors that includes training on the use of the financial monitoring onsite checklist. As part of the training, new Financial Monitors perform a pre-site visit review and complete the steps in the checklist under supervisory review. OJP also stated that the OCFO has a training plan that identifies courses to be taken in the first several weeks of assignment as a new Financial Monitor. In addition, OJP stated that by December 31, 2017, the OCFO planned to develop additional checklist items and procedures specifically for the review of the Crime Victim Compensation State Certification Form that would be included into the existing training program. However, OJP did not address the concern we expressed on page 24 of this report regarding a need for the OCFO to develop improved instructions in other areas for the financial monitors, as identified by those monitors. We will work with OJP on obtaining this information to ensure it adequately addresses our recommendation.

This recommendation can be closed when we receive evidence that the OCFO: (1) completed and implemented the additional checklist items developed specifically for the review of the Crime Victim Compensation State Certificate Form and incorporated that into its existing training program, and (2) developed improved instructions identified as needed by the financial monitors.

6. Ensure that the OVC and the OCFO develops written procedures for use in verifying the State Administering Agency certifications for the accuracy of total compensation payouts.

Resolved. OJP concurred with our recommendation. OJP stated that by March 2018, the OVC and OCFO would develop written procedures for

reviewing the Victim Compensation State Certification Form for the accuracy of total compensation payouts.

This recommendation can be closed when we receive evidence that the OVC and the OCFO developed and implemented written procedures for reviewing the certifications for the accuracy of total compensation payouts.

7. Strengthen grant management and financial training requirements for new and experienced Program Specialists and Financial Monitors by annually surveying those staff members regarding their training needs.

Resolved. OJP concurred with our recommendation. OJP stated that, subject to the availability of funds, the OCFO requires that all grant financial management personnel complete an established Federal Financial Management Certificate Program consisting of grants management and auditing courses to ensure staff have the technical knowledge needed to perform their work effectively. OJP also stated that the OCFO has a comprehensive annual training guide to assess the OCFO staff training needs. In addition, OJP stated that the OCFO is working with the OAAM and OJP's Human Resources Division to develop a formal OJP policy on training requirements for grants financial management. Further, OJP stated that it plans to develop a process to annually survey Program Specialists and Financial Monitors to assess their specific training needs related to monitoring.

This recommendation can be closed when we receive evidence showing that: (1) the OAAM and OJP have completed and implemented a formal policy on training requirements for grants financial management personnel, and (2) OJP's development of a process for annually surveying Program Specialists and Financial Monitors for their specific monitoring training needs were implemented.

8. Develop training requirements that will allow for cross-training between the OVC Program Specialists and the OCFO Financial Monitors to ensure staff appropriately and consistently monitor and provide accurate and consistent guidance on the programmatic and financial aspects of the grant program.

Resolved. OJP concurred with our recommendation. OJP stated that, since FY 2015, the OCFO has coordinated with OJP program offices to keep abreast of program changes and provide program offices with updates on financial monitoring procedures. OJP stated that the OCFO plans to continue that practice with all program offices annually and, beginning with the OVC, the OCFO will formalize and document plans and agendas for these cross-training programs by March 31, 2018. Further, OJP stated that, as part of the development and guidance to be provided for Recommendations 3 through 7, the OAAM will also work with the OVC and OCFO to develop a process to

cross-train Financial and Programmatic monitors on the financial and programmatic requirements related to programs administered under CVF grant programs.

This recommendation can be closed when we receive evidence showing that: (1) the OCFO has worked with the OVC to develop and implement plans and agendas for its cross training efforts; and (2) as part of the development and guidance provided for Recommendation 3 through 7, the OAAM, OVC, and OCFO implemented a cross-training process for the financial and programmatic monitoring of the CVF grant programs' administration.

9. Seek to establish CVF-strategic goal and objectives for CVF-funded activities reported in the budget that are outcome-oriented to allow for a meaningful future assessment of whether the strategic goal and objectives are being achieved.

Resolved. OJP concurred with our recommendation. OJP stated that the OVC is working with the OCFO to establish outcome-oriented CVF strategic goal and objectives for an OVC plan. This is intended to align the CVF goal and objectives under the Department's Strategic Plan to include specific objectives for the major CVF-funded activities such as, Improving Services for Victims of Crime in the Federal Criminal Justice System and Implementation of the Vision 21 Initiative. OJP also stated that the OVC has partnered with the Justice Research and Statistics Association (JRSA) to create a national resource center focused on research and evaluation activities for victim service providers. Through this partnership with JRSA, the OVC plans to gather outcome-oriented program evaluations to better assess overall program effectiveness and progress toward meeting the CVF strategic goal and objectives.

This recommendation can be closed when we receive evidence that the OVC: (1) established outcome-oriented CVF strategic goal and objectives for each CVF-funded activity reported in the budget, and (2) implemented plans to gather outcome-oriented program evaluations to better assess overall program effectiveness and progress toward meeting the CVF strategic goal and objectives for each CVF-funded activity reported in the budget.

10. Ensure that performance indicators are developed and results are reported for activities within the CVF decision unit.

Resolved. OJP concurred with our recommendation. OJP stated that the OVC plans to work with the OCFO to develop new performance indicators to more accurately measure performance as it relates to the revised CVF strategic goal and objectives. OJP further stated that the revised performance indicators, along with other documentation, will allow the OVC to track, interpret, and improve progress toward meeting the CVF strategic goal and objectives.

This recommendation can be closed when we receive evidence showing: (1) that the OVC and the OCFO developed and implemented new performance indicators for activities within the CVF decision unit to more accurately measure performance for the revised CVF strategic goal and objectives, and (2) how the OVC will track the progress toward meeting the CVF strategic goal and objectives for the CVF activities.

11. Ensure that the OVC documents the procedures to review, verify, and validate the accuracy of the performance data reported for CVF activities.

Resolved. OJP concurred with our recommendation. OJP stated that the OVC has a four-step analytic validation process in place that includes automated system validations, verification through data analysis, and detailed reviews by grant managers. OJP stated that it plans to review and document the process to make sure that best practices are followed at all steps. OJP also said that the OVC plans to continue to improve the process for reviewing, verifying, and validating the accuracy of all performance data, including grantee-reported data. In addition, OJP stated that the OVC will continue to work with the OAAM and OFCO to incorporate questions, as appropriate, into the OJP standard onsite monitoring checklist to review, verify, and validate the accuracy of performance data reported for CVF activities during in-depth monitoring.

This recommendation can be closed when we receive evidence showing the OJP has reviewed and documented its processes to make sure that best practices are followed at all steps, including demonstrating: (1) how the OVC improved the processes for reviewing, verifying, and validating the accuracy of all performance data reported for CVF activities, including grantee-reported data; and (2) the results of the OVC, OAAM, and OCFO efforts to incorporate questions into OJP's standard monitoring checklist to review, verify, and validate the accuracy of performance data reported for CVF activities during in-depth monitoring.

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