

Overview of Crosscutting Themes of CVF Audits Conducted by the Office of Inspector General

August 14, 2019



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Session Overview

- Introduction to the OIG Mission and Structure
- OIG Grant Audit Process – What to Expect
- OIG CVF Oversight Coverage and Findings
- OVC's Efforts to Address OIG Recommendations



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Introduction to the OIG



- Statutory Role
 - The Inspector General Act
- Mission
 - Promote economy and efficiency
 - Detect and deter waste, fraud, abuse, and misconduct

Learn More at: oig.justice.gov

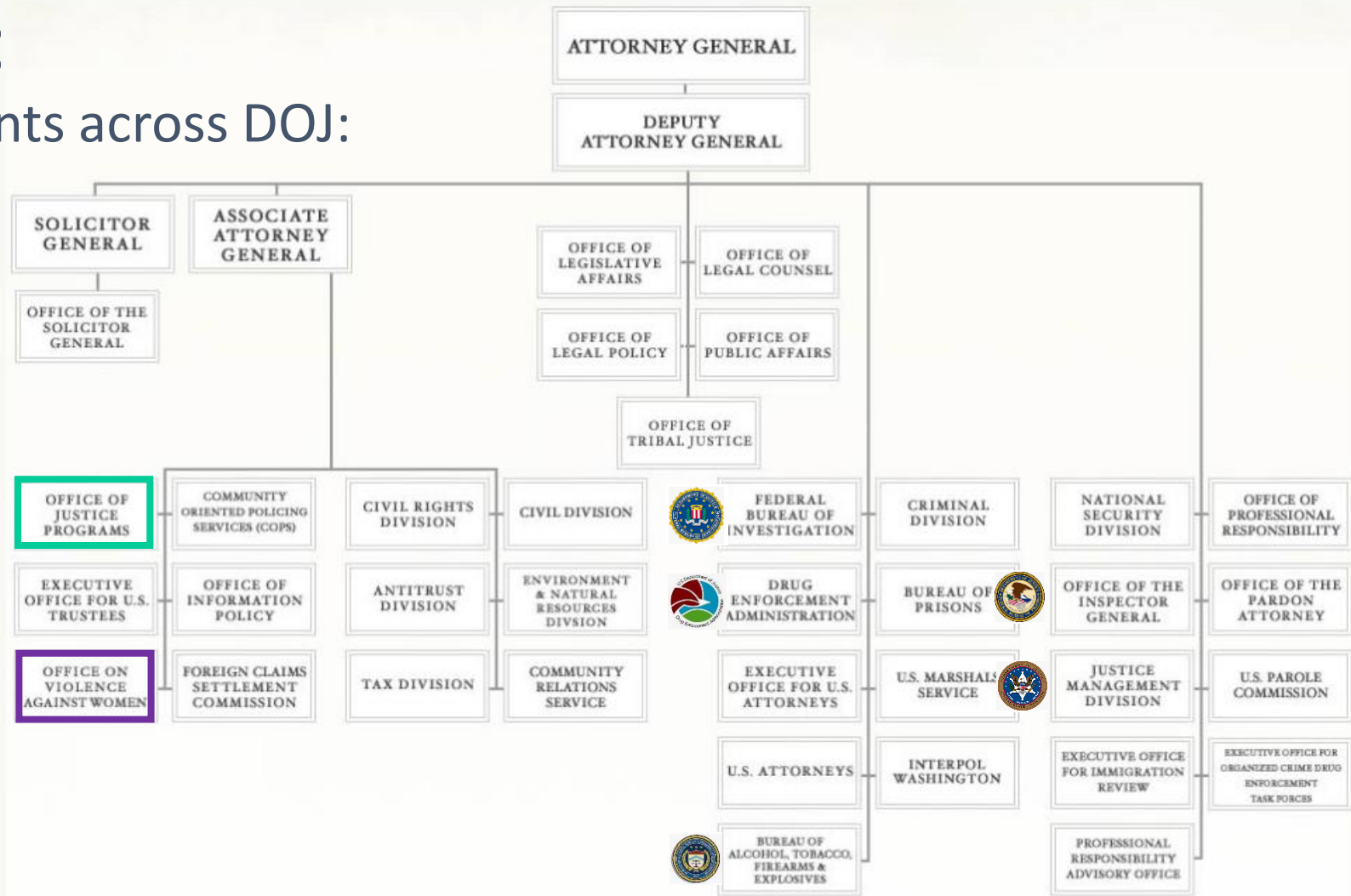
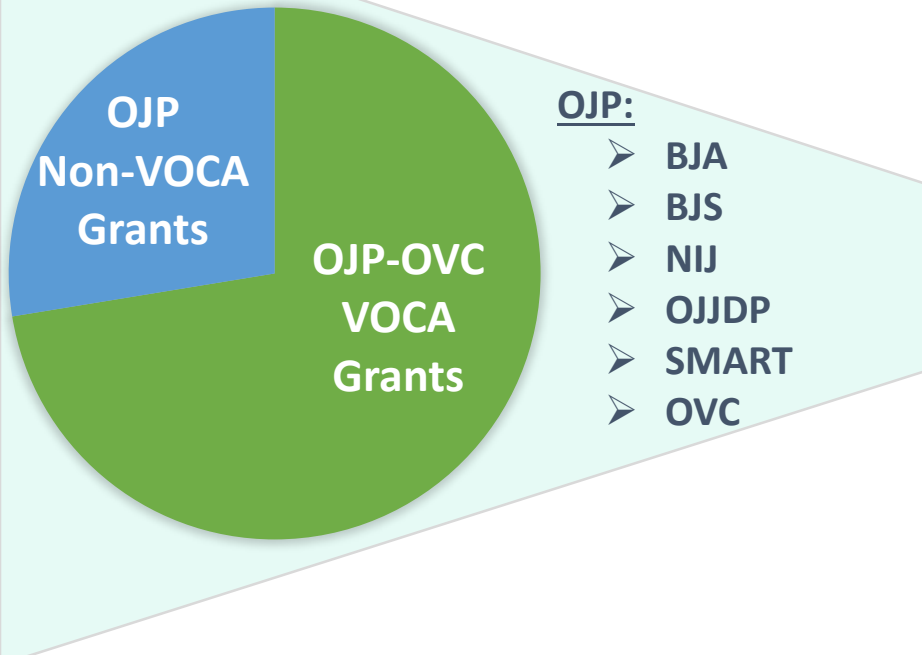


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Breadth of Coverage:

All Programs, Contracts, and Grants across DOJ:



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OIG Structure

Inspector General

AUDIT DIVISION

- Assistant Inspector General for Audit
- > Deputy Assistant IG for Audit

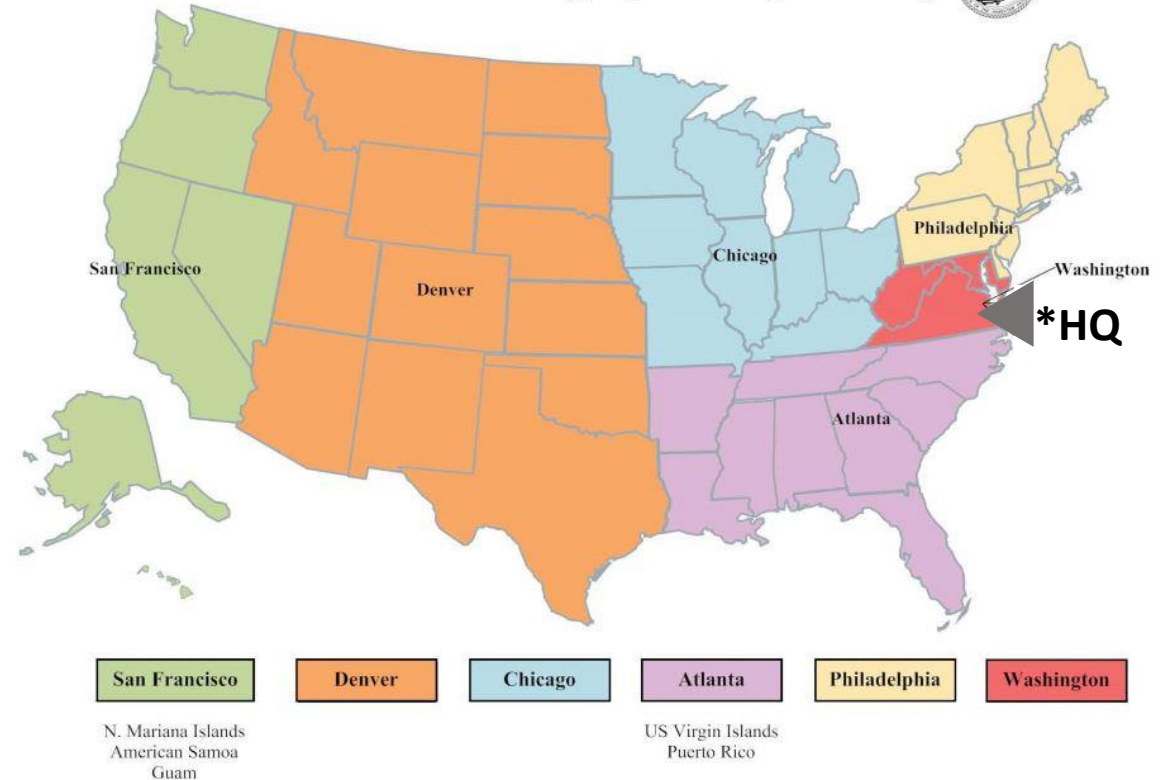
6 Regional Audit Offices, each with:

- Regional Audit Manager
- Assistant Regional Audit Managers
- Team Leads
- Team Members

*HQ Office of Operations, with:

- Director
- Program Managers

Audit Division Geographic Responsibility



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OIG Grant Audit Procedures

- Standard Grant Processes*

- Audit Initiation
- Fieldwork and Review
 - Program Performance
 - Financial Management
- Results and Recommendations
- Exit Conference
- Draft, Response, and Final Report

New webinars on standard grant audit lifecycle:



* *Note: CVF audits have specialized aspects and each audit is unique*

e.g. Role of state compensation program criteria

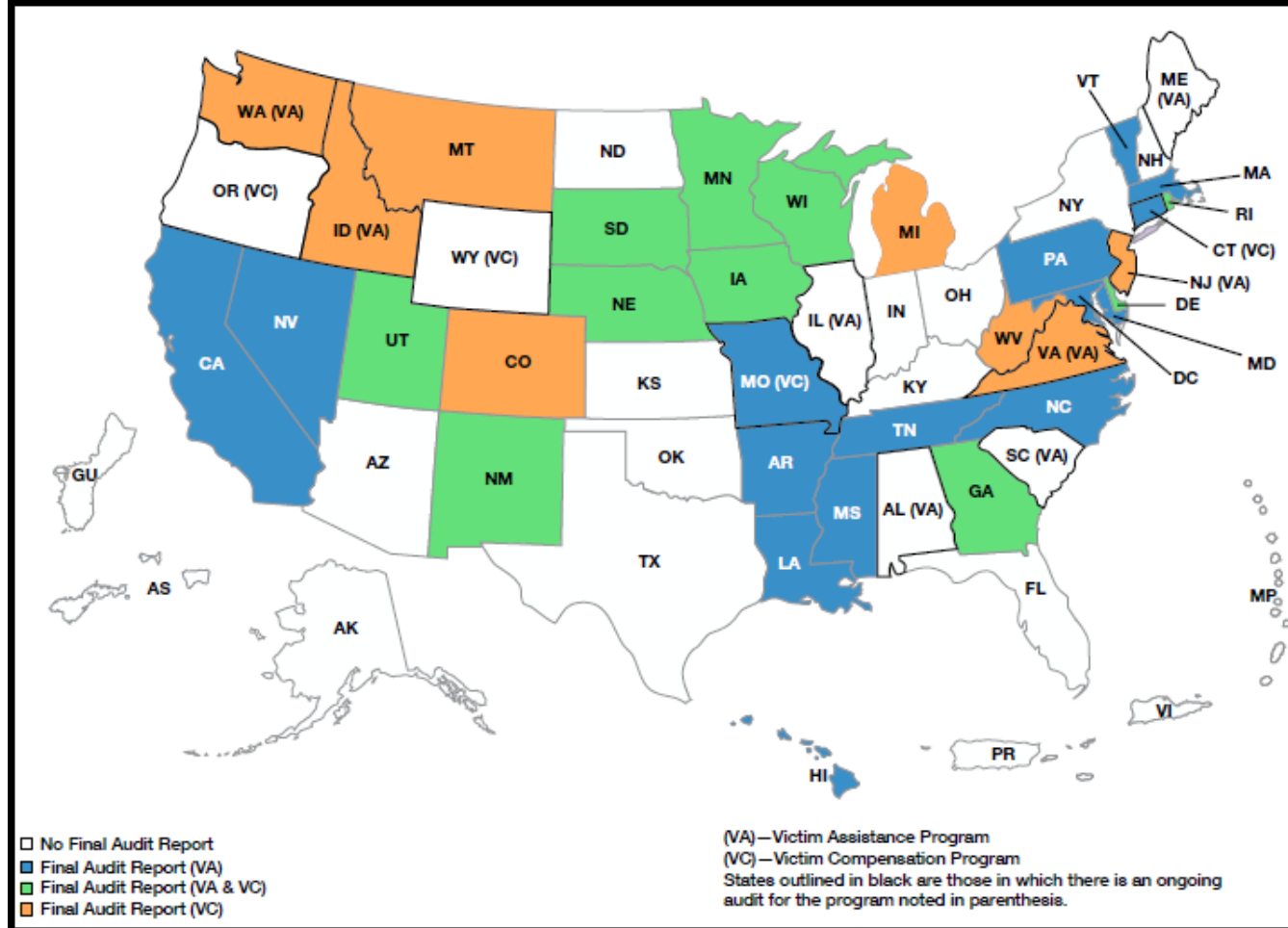
Emphasis on assistance program subrecipients



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OIG Oversight of CVF Funding



OIG has been undertaking efforts to coordinate OIG approach to this work across all regions

However, CVF State Audits may vary based on several factors, including:

- Unique aspects of each state's program
- Respective state laws and policies
- Risk areas identified

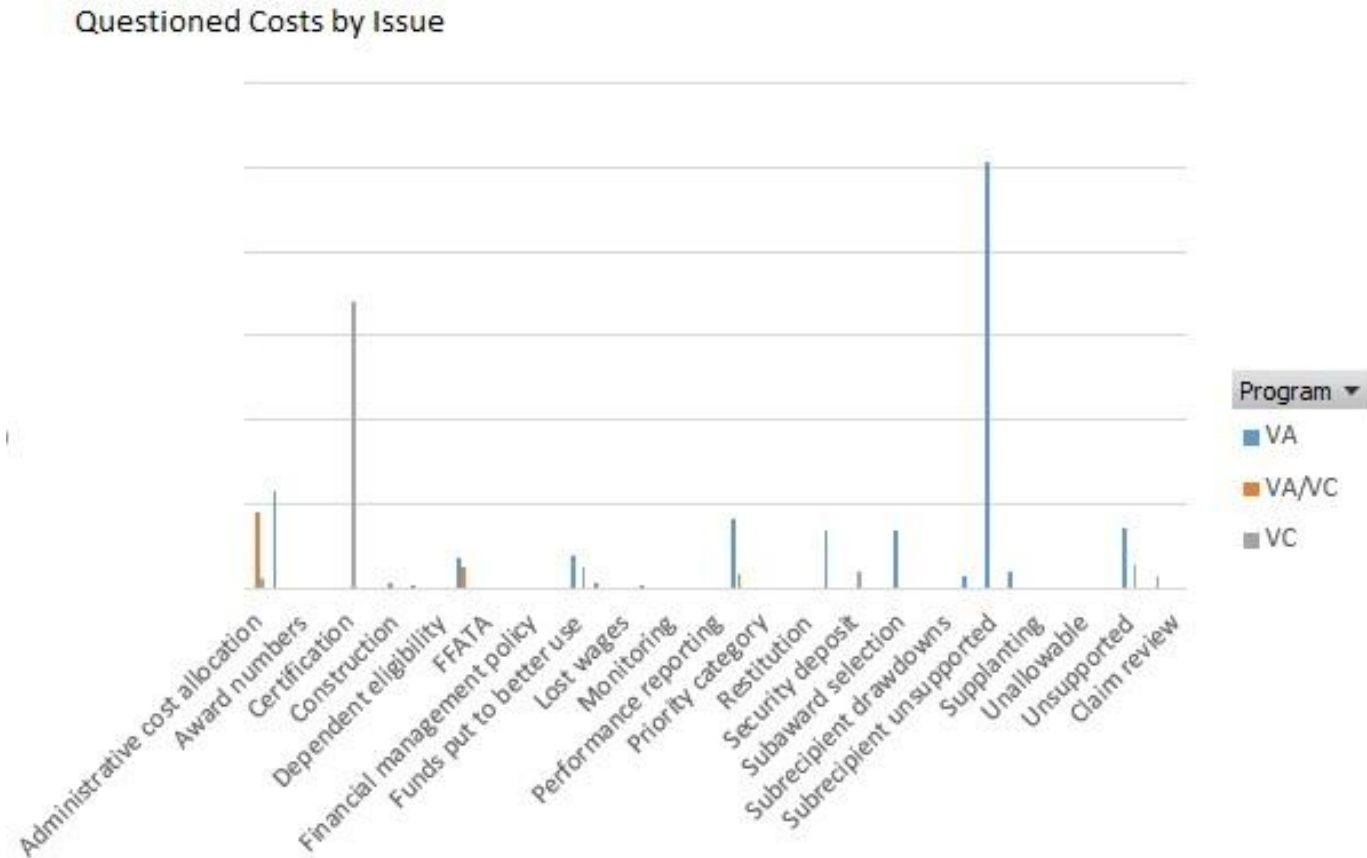


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Insights from Audit Recommendations

- 200+ recommendations
- Issues driving questioned costs
 - VA: Subrecipient unsupported costs
 - VC: Certification errors
- Recommendations for policies/procedures



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Recent OIG Effort: A National-Scope Review

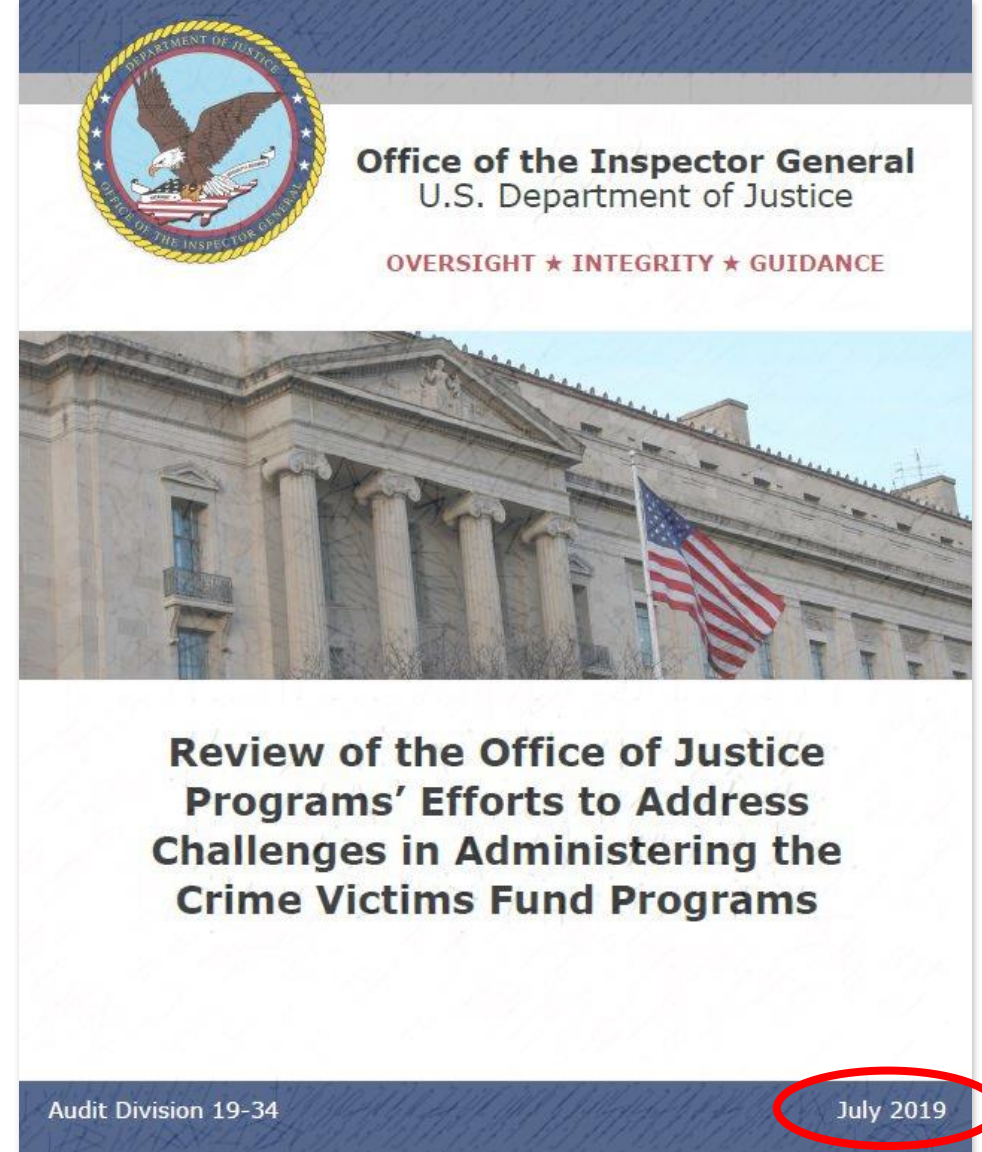
Promising Practices

Challenges for States

Recommendations for OJP

Report available publicly @

<https://oig.justice.gov/reports/2019/a1934.pdf#page=1>



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Promising Practices

- Written policies
- Recordkeeping
- Financial controls
- Coordination between Assist/Comp reimbursement requests
- Monitoring plans/tools – procedures, good communication with subs.
- Review supporting docs for some
- Subrecipient allowable cost guidance



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Rec. Policies/Procedures – Assist

Administrative

- Cost allocation
- Personnel (T/A reports, allocation)
- Drawdown
- Monitoring (risk assess., visit policy/proc.)
- Conflict of interest policy

Reporting/Records

- Performance (data validation, support)
- FFATA, FFRs, SAR
- Record retention

Subrecipient Guidance

- Required expense documentation
- Record retention
- Personnel (T/A reports, allocation)
- Match policy/waiver
- Consultants
- Priority/underserved



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Rec. Policies/Procedures - Comp

Administrative

- Certification (verifying data, corrections)
- Personnel (T/A reports, allocation)
- Drawdown

Reporting/Records

- Performance reporting
- FFR
- Record retention

Claim Review

- Claim review process
- Dependent eligibility policy
- Lost wages (supporting docs)
- Security deposits (tracking, return)



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Recommendation 1

Examine states' spending data; comparatively analyze states' spending plans and program execution; assess the causes for any state implementation delays; and apply the results of this review to assist states in developing and executing future spending plans.



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OVC Steps to Achieve Closure – Rec 1

1. Work with OCFO to examine states' spending data, including drawdown activity;
2. Compare state spending data to spending plans and program execution;
3. Examine grantee reports, site visit reports, and other available data, and speak with grantees to identify causes of implementation delays;
4. Share information about implementation delays clearly with impacted states;
5. Support impacted states as they develop and execute future spending plans; and
6. Continue to stress to grantees the importance of drawing down awards in a timely way to avoid fraud, waste, or abuse.



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Recommendation 2

Enhance communication to the formula grant recipients, including the victim assistance subrecipients, regarding established grant rules that clearly govern what constitutes an allowable cost.



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OVC Steps to Achieve Closure – Rec 2

1. Launch an aggressive initiative to visit with the majority of SAAs;
2. Establish an in-house database of allowability questions;
3. Upload all new substantive allowability questions and answers to the FAQ doc;
4. Distribute an FAQ update to the SAAs on a monthly basis; and
5. Continue to work with SAAs on developing strategies to effectively communicate with subrecipients.



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Recommendation 3

Better define and provide clarification on the allowability of expenses that have generated questions, to include building modifications, subrecipient non-service or indirect costs, and contracting costs.



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OVC Steps to Achieve Closure – Rec 3

1. Work with the Office of General Counsel (OGC) to better define and provide clarification on the allowability of expenses that have generated questions, including:
 - a) Building modifications
 - b) Subrecipient non-service or indirect costs
 - c) Contracting costs
2. Build on existing instructions regarding building modifications;
3. Embark on intensive effort to meet with majority of SAAs to provide clarification on the allowability of expenses that have generated OIG questions; and
4. Host a series of sessions at the August 2019 OVC VOCA National Training Conference to better define and clarify the allowability of expenses.



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Recommendation 4

Clarify to states the supporting requirements for CVF formula grant administrative costs, to include personnel costs.



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OVC Steps to Achieve Closure – Rec 4

1. Work with OGC and OCFO to clarify and concisely memorialize for states the supporting requirements for administrative costs under VOCA; and
2. Ensure there is an ongoing effort to provide states with regular information on specific expenses, as needed.



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Recommendation 5

Review the causes of the discrepancies in the certification form amounts and provide additional clarification to the states on the proper basis for completing this form.



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OVC Steps to Achieve Closure – Rec 5

1. Present on this at the VOCA National Training Conference in August 2019;
2. Work with the National Association of Crime Victim Compensation Boards (NACVB) to improve how states are completing these forms;
3. Work with OCFO, SAAs, NACVB, and other constituents to improve OVC's written guidance to states in completing this form; and
4. Work with OCFO and other partners to deliver webinars and other user-friendly presentations to provide further clarifications regarding the completion of these certifications.



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Recommendation 6

Provide additional guidance on the charging and certification of forensic exam payments with respect to the CVF compensation program, particularly for states that have additional sources of funding available for this purpose.



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OVC Steps to Achieve Closure – Rec 6

1. Work with OGC and OCFO and other informed partners to develop guidance on the charging and certification of forensic exam payments regarding the CVF compensation program, particularly for those states with additional sources of funding available for this purpose.



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Recommendation 7

Highlight the characteristics of well-supported payment amounts for the benefit of states in designing auditable compensation programs that adhere to federal and DOJ grant record-keeping requirements, and assist states in strengthening their policies and procedures where needed.



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OVC Steps to Achieve Closure – Rec 7

1. Work with OCFO to highlight the characteristics of well-supported payment amounts for the benefit of states designing auditable compensation programs;
2. Assist states in strengthening their policies and procedures where needed; and
3. Make a concerted effort to clearly communicate best practices to state compensation programs to help states strengthen their policies and procedures.



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Recommendation 8

Clarify the financial reporting expectations for the CVF compensation grants in particular, especially noting any areas in which these grants may be unique from other federal or DOJ awards.



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OVC Steps to Achieve Closure – Rec 8

1. Work together with OCFO and OGC to internally identify financial reporting expectations for the CVF compensation program, noting the areas in which compensation grants are unique from other federal or DOJ awards; and
2. Provide clear and effective guidance on the financial reporting expectations for the CVF compensation grants after OJP has identified these requirements.



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Recommendation 9

Analyze the causes for the Performance Management Tool (PMT) technical errors and address these issues to improve system functionality.



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OVC Steps to Achieve Closure – Rec 9

If the OIG keeps this recommendation open ...

1. Work to document that the process for responding to technical problems has improved over the past two years;
2. Work closely with the PMT developers and OCIO to stay ahead of system issues that affect functionality; and
3. Have biweekly calls with the development team, biweekly meetings with the developers and other OJP offices, and regular communications over email to ensure that system functionality issues are addressed in a timely manner.



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Recommendation 10

Further clarify the expected reporting methodology for counting victims and tracking priority victim areas, and resolve the discrepancies in the reporting instructions identified in this review.



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OVC Steps to Achieve Closure – Rec 10

1. Issue a PMT clarification to the applicable SAAs to reconcile conflicting instructions previously issued by OVC regarding the entry of financial data into the subgrant award report (SAR); and
2. Work with SAAs to verify expenditures to meet the priority categories.



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Recommendation 11

Consider providing further guidance to the states about effective monitoring of subrecipients, to include suggestions on the strategies for risk assessment and the characteristics of effective monitoring techniques and meaningful site visits.



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OVC Steps to Achieve Closure – Rec 11

1. Present a hands-on workshop at the August 2019 2019 VOCA National Training Conference, where states will have the opportunity to build their own risk-assessment tools under the guidance of OAAM;
 - a) OAAM also presented on this issue at the June 12, 2019 VOCA Regional Meeting, and has presented on this issue during other presentations in the past.
2. Develop, with OAAM and OCFO, a monitoring toolkit for states that will address these issues. ***(This project was initiated prior to the issuance of the draft report.)***



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Recommendation 12

Enhance its efforts to provide current and specific guidance on the management of the CVF formula grants and prioritize publishing answers to the FAQs it has identified.



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OVC Steps to Achieve Closure – Rec 12

1. Establish an in-house database that will track all allowability questions received by OVC staff;
2. Dedicate a staff member to manage the data and analysis of the questions and responses on all allowability questions;
3. Update the FAQ website with new FAQs and answers;
4. Distribute these updates on a monthly basis to the states;
5. Continue to hold quarterly FAQ calls and meetings, and address questions regarding the allowability of funding; and
6. Continue to explore how to improve its efforts to provide current and specific guidance on the CVF formula grants by seeking input from states and national partners.



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Recommendation 13

Evaluate supporting grant management training and assistance for a wider audience of grantees and seek to more closely align the services with demand, particularly in the area of financial management.



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OVC Steps to Achieve Closure – Rec 13

1. Work with OCFO and OAAM to evaluate supporting grant management training and assistance for a wider audience of grantees and seek to more closely align the services with demand, particularly in the area of financial management; and
2. Identify the best methods to enhance its support of grant management.



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Recommendation 14

Review its internal process for addressing CVF grant management questions, particularly with regard to financial management and the allowability of expenditures.



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OVC Steps to Achieve Closure – Rec 14

1. Work closely with OAAM, OCFO, and OGC to develop an efficient, streamlined, and institutionalized internal process to address CVF grant management questions, particularly regarding financial management and the allowability of expenditures;
2. Develop its internal database to track all incoming FAQs; and
3. Work with other OJP offices to memorialize an internal process for responding to grant management questions that require the input of outside OJP offices, such as OAAM, OCFO, and OGC.



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Questions?



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