

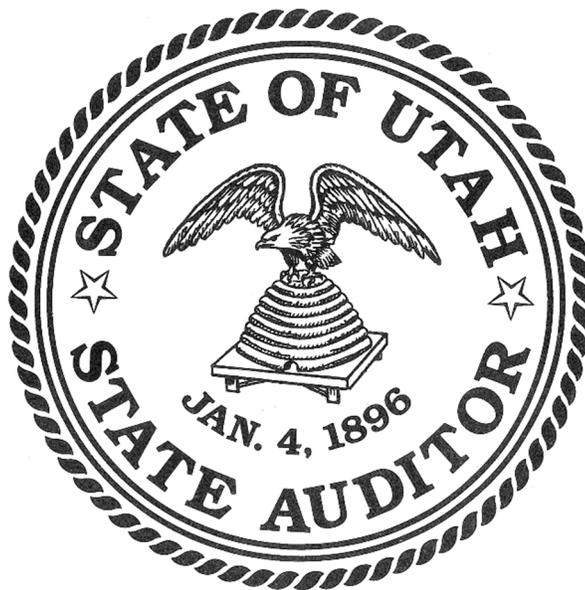
**COMMISSION ON CRIMINAL AND JUVENILE JUSTICE  
Utah Office for Victims of Crime**

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Management Letter  
For the Year Ended June 30, 2020

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Report No. 20-30



**OFFICE OF THE  
STATE AUDITOR**

AUDIT LEADERSHIP:

John Dougall, State Auditor  
Hollie Andrus, CPA, Deputy State Auditor  
Sean Clayton, Audit Senior

**COMMISSION ON CRIMINAL AND JUVENILE JUSTICE**

**Utah Office for Victims of Crime**

**Management Letter**

FOR THE YEAR ENDED JUNE 30, 2020

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Finding Type:

MW Material Internal Control Weakness  
SD Significant Deficiency of Internal Control  
MN Material Noncompliance  
RN Reportable Noncompliance or Illegal Acts

Applicable To:

f Federal Program  
s State Program



OFFICE OF THE  
STATE AUDITOR

**MANAGEMENT LETTER NO. 20-30**

April 2, 2021

Mr. Tom Ross, Executive Director  
Commission on Criminal and Juvenile Justice  
Utah State Capitol Complex  
East Office Building, Suite E330  
SLC, Utah 84114-2330

Dear Mr. Ross:

This management letter is issued as a result of our audit of the State of Utah's basic financial statements as of and for the year ended June 30, 2020. It is issued as a result of the Commission on Criminal and Juvenile Justice (CCJJ)'s portion of the statewide single audit for the year ended June 30, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with Commission management concerns identified during the course of our audit.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

Based on the audit procedures performed, we identified certain deficiencies in internal control which we consider to be material weaknesses (Findings 1, 2, 3, 6, and 7). We also identified deficiencies in internal control which, while not considered material, we consider to be significant enough to merit the further attention of management and those charged with governance (Findings 4, 5, 8, 9, and 10). We also identified Findings 2 and 3 as instances of noncompliance which we are required to report under *Uniform Guidance*.

CCJJ's written responses to and Corrective Action Plans for these findings will be included in the final reports identified in the second paragraph above.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

We appreciate the courtesy and assistance Department personnel extended to us during the course of our audit, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Hollie Andrus".

Hollie Andrus, CPA  
Deputy State Auditor  
801-808-0461  
handrus@utah.gov

cc: Ken Matthews, Deputy Director, Commission on Criminal and Juvenile Justice  
Gary Scheller, Director, Utah Office for Victims of Crime  
Melanie Scarlet, Assistant Director, Utah Office for Victims of Crime  
Tallie Viteri, Assistant Director, Utah Office for Victims of Crime  
Lynsey Stock, Auditor, Utah Office for Victims of Crime

## FINDINGS AND RECOMMENDATIONS

### 1. Oversight of Federal Programs Should Be Strengthened

Federal Agency: Department of Justice  
CFDA Number and Title: 16.575 Crime Victim Assistance  
16.576 Crime Victim Compensation  
Federal Award Numbers: Various  
Questioned Costs: N/A  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Number: N/A

The Utah Office for Victims of Crime (UOVC) does not manage the Crime Victim Assistance (CVA) and Crime Victim Compensation (CVC) programs in accordance with federal regulations, potentially jeopardizing future funding and/or reducing UOVC's ability to assist victims of crime in the state. *Uniform Guidance* 2 CFR 200.303 (a)-(d) enumerates 4 key areas UOVC must implement to effectively manage CVA and CVC. These areas include:

- a. Establishing and maintaining effective internal controls;
- b. Complying with federal statutes, regulations, and federal awards terms and conditions;
- c. Evaluating and monitoring UOVC's compliance with (b); and
- d. Taking prompt action when instances of noncompliance are identified, including those identified in audit findings.

#### Establishing & Maintaining Effective Internal Controls

UOVC has not established or maintained effective internal controls, which include a sound control environment or "tone at the top". Elements of a sound control environment (e.g., written policies and procedures, effective application of information technology, and hiring of competent staff) are lacking. The state's accounting system (FINET) is not utilized in a way to account for federal awards separately. Independent spreadsheets, rather than FINET, are used to managed CVA and CVC. Findings 4, 7, 9, and 10 provide further explanation. UOVC should follow the federal "Green Book" or the "Internal Control Integrated Framework" (COSO Framework) to establish and maintain effective internal controls (see 2 CFR 200.303(a)).

#### Complying with Federal Statutes, Regulations, & Federal Award Terms and Conditions

As enumerated in Findings 2, 3, 4, 5, 6, 8, and 9, UOVC did not comply with federal statutes, regulations, and terms and conditions for the fiscal year ended June 30, 2020. Finding 2 is considered material, or more severe, noncompliance while Finding 3 is required to be reported under *Uniform Guidance*. Findings 4, 5, 6, 8, and 9, while not required to be reported under *Uniform Guidance*, indicate other instances of noncompliance.

Evaluating & Monitoring Compliance with Federal Statutes, Regulations, & Federal Award Terms and Conditions

UOVC does not evaluate or monitor its compliance with federal statutes, regulations, or award terms and conditions. Typically, organizations utilize an internal audit function to evaluate and monitor compliance. While UOVC has auditors on staff, they are tasked with monitoring subrecipients and do not evaluate or monitor UOVC’s compliance.

Taking Prompt Action When Instances of Noncompliance Are Identified

The CVA program has been audited every year since fiscal year ended June 30, 2017 and the CVC program has been audited every year since fiscal year ended June 30, 2018. The following table summarizes the audit findings, including the findings which are considered “repeat findings” or findings originally identified in a previous audit that had not been corrected.

Single Audit Year	Number of New Findings	Number of Repeat Findings	Number of Total Findings	Number of Findings Containing Material Control Weakness	Number of Findings Containing Material Noncompliance	Questioned Costs
2017	3	N/A	3	3	3	\$139,194
2018	7	3	10	7	4	\$12,224
2019	1	7	8	5	3	\$0
2020	4	8	12	5	1	\$77,915

As evidenced by the “Number of Repeat Findings”, UOVC has not taken prompt action to correct instances of noncompliance identified in audits. While management has made some effort to correct the problems, it has struggled to understand and identify the core issues generating the finding and identifying how to effectively address them.

Recommendations:

- a. Gain an understanding of the federal “Green Book” or “COSO Framework” to then design effective internal control, including the establishment of a sound control environment;
- b. Comply with federal statutes, regulations, and federal award terms and conditions;
- c. Establish written procedures and assign appropriate personnel to evaluate and monitor UOVC’s compliance with (b); and
- d. Work with auditors to understand core issues of audit findings in order to take prompt action when instances of noncompliance are identified.

UOVC’s Response:

*UOVC agrees that it can and should strengthen oversight of federal programs.*

Corrective Action Plan:

*UOVC has distributed copies of the federal “Green Book” to all staff involved with federal grants or financial management. UOVC will meet with auditors to discuss and to implement “Green Book” and “COSO Framework” principles. UOVC will also meet with auditors and appropriate staff with the Utah Division of Finance through May and June of 2021 to review, modify, design, and test UOVC processes and procedures to assure effective internal controls, appropriate internal compliance monitoring and prompt and effective correction of identified instances of noncompliance. UOVC has contracted and is working with a professional consultant to develop a Grant and Financial Management Policy and Procedure Manual. The manual will be updated to be inclusive of UOVC’s work with the auditor and finance personnel.*

*Contact Person: Gary Scheller, UOVC Director, 801-277-9375  
Lynsey Stock, UOVC Audit Manager, 304-545-7589  
Anticipated Correction Date: July 1, 2021*

**2. UOVC Does Not Monitor Grant Expenditures to Ensure Spending in the Proper Period**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.576 Crime Victim Compensation  
Federal Award Numbers: 2016-VC-GX-0057; 2017-VC-GX-0019; 2018-V1-GX-0026  
2019-V1-GX-0045  
Questioned Costs: N/A  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Number: 2019-015

UOVC does not monitor or verify that expenditures charged to the CVC program occurred during each award’s period of performance. Funding for this program is derived from both state and federal resources, is recorded in one fund code in FINET, and includes multiple federal awards, each of which have a four-year period of performance requirement. UOVC does not charge the majority of CVC expenditures to a specific award and does not perform any allocation after the fact. While the 2017 Department of Justice Grants Financial Guide specifically states that for this program there is no financial requirement to identify the source (federal or state) of individual payments to crime victims, it also states “recipients must account for each award separately.” However, without an allocation or some other way to identify the expenditures to a specific federal award, we could not perform appropriate audit procedures to determine compliance with period of performance requirements. By not adequately tracking spending for period of performance purposes, UOVC could be spending funds outside the allowable period.

Recommendation:

We recommend UOVC charge expenditures to specific awards, otherwise identify the source (federal or state) of payments to crime victims, or obtain a waiver from the U.S. Department of Justice stating this requirement does not apply to this program.

UOVC's Response:

*UOVC agrees that it must more clearly designate the revenue source of expenditures to better permit testing and clearly display, verify, and ensure spending in the proper period.*

Corrective Action Plan:

*UOVC will appropriately develop processes and procedures, with the advice of the auditors and Utah Division of Finance to begin identifying the source of benefit payments to victims as either federal or state funds. UOVC will also identify the specific federal grant from which federal funds were obtained for the payment(s).*

*Contact Person: Gary Scheller, UOVC Director, 801-227-9375  
Patti Jensen, UOVC Financial Manager, 801-238-2368  
Arnold Liu, UOVC Federal Funds Financial Analyst, 801-238-2374  
Connie Wettlaufer, UOVC Admin Asst./Drawdown Specialist,  
801-238-2371  
Melanie Scarlet, UOVC Asst. Director, Reparations Program Manager,  
801-238-2364  
Lynsey Stock, UOVC Audit Manager, 304-545-7589*

*Anticipated Correction Date: July 1, 2021*

### **3. Crime Victim Reparations Determined & Paid Without Independent Review**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.576 Crime Victim Compensation  
Federal Award Numbers: 2016-VC-GX-0057; 2017-VC-GX-0019; 2018-V1-GX-0026  
2019-V1-GX-0045  
Questioned Costs: \$59,564  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Number: 2019-014

UOVC Reparation Officers determine allowable expenditures and Payment Technicians process payment of these expenditures without an independent review. The Officers consider multiple factors (e.g., the type of crime, the severity of the crime, potential insurance coverage) when determining the amount of reparations to a victim. Without an independent review of these determinations, UOVC can inconsistently apply state laws and rules when administering the Crime Victim Compensation Program. For example, *Utah Code* 63M-7-511.5 identifies the maximum per-crime aggregate payments for medical and non-medical reparations by identifying specific crimes and “aggravated” circumstances which increase the allowed maximum limits. For 7 of 52 claims reviewed, reparation officers decided that these 7 claims qualified for the increased limits despite them not meeting the criteria outlined in *Code*, when compared to police reports or other supporting documentation. We have questioned \$59,564 in payments exceeding the allowed threshold for these 7 claims.

Recommendation:

We recommend UOVC establish an independent review of crime victim reparation determinations and payments.

UOVC's Response:

*UOVC agrees that Reparation Officers and Payment Technicians must exercise their independent discretionary statutory authority and obligations within the parameters of the law. UOVC also agrees that Reparation Officers and Payment Technicians are obligated to obtain and retain documentation to support and verify their operation within the law. UOVC further understands that the auditor recommends and encourages increased monitoring and oversight of the independent discretionary statutorily authorized actions of Reparation Officers and Payment Technicians, to assure compliance with the law. UOVC looks forward to being able to fully review the material reviewed by the auditor as we work with the auditors to rectify their concerns. UOVC respects the auditor's role in questioning these costs in the single audit process.*

Corrective Action Plan:

*UOVC will establish appropriate internal oversight and monitoring practices in consultation with the auditor to assure that determinations and actions within the Reparation Program are made within the parameters of the applicable laws and rules.*

*Contact Person: Gary Scheller, UOVC Director, 801-227-9375  
Melanie Scarlet, UOVC Asst. Director, Reparations Program Manager,  
801-238-2364*

*Lynsey Stock, UOVC Audit Manager, 304-545-7589*

*Anticipated Correction Date: July 1, 2021*

**4. Administrative Expenditures Exceeded the Allowable 5% Threshold**

Federal Agency: Department of Justice

CFDA Number and Title: 16.576 Crime Victim Compensation

Federal Award Numbers: 2016-VC-GX-0057

Questioned Costs: \$9,247

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Number: N/A

The Utah Office for Victims of Crime (UOVC) recorded \$9,247 in excess of the allowable 5% administrative expenditures earmark for the VOCA16 award because it has not established internal controls to ensure proper monitoring of the maximum 5% allowed for administrative expenditures. 2 CFR 200.303(a) states "The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-

Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” Inadequate internal controls over earmarking resulted in unallowable questioned costs of \$9,247 and noncompliance with grant allowable cost principles and earmarking requirements.

Recommendation:

We recommend UOVC establish internal controls to ensure administrative expenditures do not exceed the 5% earmarking limit.

UOVC's Response:

*UOVC agrees that \$9,247 was initially recorded in excess of the allowable 5% and agrees that a lack of internal controls contributed to this. This error required and received correction to assure that the 5% was ultimately not exceeded. UOVC respects the auditor's role in questioning these costs in the single audit process.*

Corrective Action Plan:

*The established budgets in FINET for the allowable administrative expenses of the VOCA Compensation grant have had enhanced budget settings added to prohibit the recording of any charges in excess of the allowable 5% of the grant. UOVC will increase its internal monitoring on this matter. UOVC, in the process of the corrective action plan on Finding 1, will test and verify the effectiveness of the enhanced internal controls as well as develop and adopt internal monitoring of these practices.*

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Melanie Scarlet, UOVC Asst. Director, Reparations Program Manager,  
801-238-2364*

*Anticipated Correction Date: July 1, 2021*

## 5. Claims Management System Unable to Provide Accurate Performance Report Data

Federal Agency: Department of Justice  
CFDA Number and Title: 16.576 Crime Victim Compensation  
Federal Award Numbers: 2016-VC-GX-0057; 2017-VC-GX-0019;  
2018-V1-GX-0026; 2019-V1-GX-0045

Questioned Costs: N/A

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Number: 2019-016

The UOVC Claims Management System's (CMS) current implementation does not provided data in a matter that allows UOVC to accurately report the federally-prescribed performance measures in its quarterly performance reports.

- The dollar amount of expenses paid by category and type of crime are not tracked. While UOVC has an October 2015 correspondence from the Department of Justice stating that these items can be reported as "not tracked", the correspondence also stated that UOVC should comply as quickly as possible to start tracking the required measurements but did not give an implementation deadline. As of June 2020, these required performance measures are still being reported as "not tracked."
- The CMS contains different age ranges for four out of six age categories required on the Performance Report. As such, we were unable to calculate the correct number of applicants within the age ranges requested on the Performance Report.

UOVC's CMS should be able to provide accurate performance data. Without properly generating the necessary data, UOVC cannot provide the Department of Justice with the critical information needed to know how this program is being administered to help victims of various crimes.

### Recommendation:

We recommend UOVC reconfigure its system to provide accurate performance report data and run system tests before deployment to ensure the system provides the expected results.

### UOVC's Response:

*UOVC agrees.*

### Corrective Action Plan:

*UOVC applied for and received a federal grant to develop a new claims database to resolve these concerns. The new databased is being developed by Utah Department of Technology Services (DTS). We have consulted with DTS and are having them change and/or extract what they are able in the existing database for the upcoming federal report. We are attempting to balance the time of the program developers to keep them moving as fast as possible on the new program. We have also committed additional funding to speed the project completion and DTS is*

*attempting to locate the needed resources for the project. In conjunction with the corrective action plan taking place on Finding 1, UOVC will update the progress and monitor that all the concerns of this finding are addressed to degree we are able, prior to the anticipated completion of the new database scheduled for the fall of 2021.*

*Contact Person: Gary Scheller, UOVC Director, 801-227-9375  
Melanie Scarlet, UOVC Asst. Director, Reparations Program Manager,  
801-238-2364  
Patti Jensen, UOVC Financial Manager, 801-238-2368  
Lynsey Stock, UOVC Audit Manager, 304-545-7589  
Anticipated Correction Date: July 1, 2021*

## **6. Design of Subrecipient Monitoring Procedures Does Not Ensure Compliance With Federal Regulations**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.575 Crime Victim Assistance  
Federal Award Numbers: 2016-VA-GX-0052, 2017-VA-GX-0057, 2018-V2-GX-0051  
Questioned Costs: N/A  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Numbers: 2019-018

As the prime recipient for the Crime Victim Assistance grant, UOVC must establish internal controls over and comply with multiple federal requirements for working with its subrecipients. These requirements and the results of our audit procedures are as follows:

Communication of Key Federal Award Information: According to 2 CFR 200.331(a) UOVC must clearly identify to the subrecipient the federal award by providing the required information. Such information should include 13 specific items to be communicated, such as the federal award identification number, federal award date, total amount of federal funds obligated to the subrecipients, and identification of whether the award is Research & Development.

UOVC did not communicate the required information for all 12 of the subrecipient contracts we reviewed because it relied on its Grant Management System to generate the subaward agreements and believed the system was including the necessary information. UOVC did not test the vendor-developed system to confirm the system was functioning as expected. When relying on a computer system to perform specific functions, UOVC should test the system prior to deployment to ensure it produces the expected results. As part of a sound IT general control environment, UOVC should also document the results of these tests. If the system is not functioning appropriately and/or until the system is functioning appropriately, UOVC should establish a review process to ensure the required information is communicated.

Risk Assessment @ Subrecipient Level: According to 2 CFR 200.331(b), UOVC must evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate monitoring (e.g., frequency of desk reviews or on-site visits) related to the award.

While UOVC has developed policies and procedures for performing risk evaluations and is performing such evaluations, it has not developed policies and procedures for determining the appropriate monitoring related to the award. There is no link between the risk evaluation being performed and the level of monitoring performed. 28 CFR 94.106 requires UOVC to include a risk assessment plan in its monitoring plan.

Desk & On-Site Reviews: According to 28 CFR 94.106, UOVC must perform regular desk monitoring of all subrecipients and on-site monitoring at least once every two years, unless a different frequency is determined based on the risk assessment mentioned above.

UOVC staff involved in conducting both the desk and on-site monitoring ensure UOVC complies with federal rules. However, UOVC does not have an independent verification or review of monitoring procedures and results. UOVC believed that the two auditors working together was enough coverage to make sure the monitoring happened. With no independent review, the auditors may miss certain aspects of the monitoring process and/or fail to comply with federal monitoring rules.

Review of Subrecipient Single Audits: According to 2 CFR 200.521, UOVC should review and give management decisions on subrecipient single audit results within 6 months of the subrecipient's report submission.

The UOVC staff involved in the desk and on-site monitoring also review subrecipient single audit reports. UOVC does not have a control in place to ensure the reviews and management decisions are completed within the 6 months allowed. For 1 of 12 subrecipients, UOVC did not review the most recent report. By not making sure the reviews are happening in a timely manner the passthrough entity could review a single audit after the 6 month window and thus become noncompliant with the risk of losing federal funds.

Inadequately designed subrecipient monitoring procedures may restrict UOVC's ability to identify subrecipients' noncompliance with federal regulations.

#### Recommendations:

We recommend UOVC:

- Test computer system development prior to deployment, document the results of these tests, and, until the system is functioning properly, establish a review process to ensure required information is communicated to subrecipients;
- Expand its risk assessment policies and procedures to identify the appropriate levels of monitoring for each risk level;
- Have a person independent of the desk monitoring, on-site monitoring, and subrecipient single audit report monitoring review results and timing of monitoring efforts.

UOVC's Response:

*UOVC agrees that monitoring policies must ensure compliance with federal regulations. UOVC is eager to work with the auditor to review, understand, and resolve each of the auditors' key concerns articulated with this finding.*

Corrective Action Plan:

*UOVC will, in conjunction with and in the process of the corrective action plan for Finding 1, work with the auditor to fully understand, address and resolve each of the auditor's concerns articulated in this finding. UOVC will design and implement, in consultation with the auditor, increased internal oversight of its monitoring practices.*

*Contact Person: Gary Scheller, UOVC Director, 801-227-9375  
Lynsey Stock, UOVC Audit Manager, 304-545-7589  
Tallie Viteri, UOVC Assistant Director, Assistance Grants Program  
Manager, 801-297-2620*

*Anticipated Correction Date: July 1, 2021*

**7. Federal Cash Draws Calculated Using Employee-Prepared Spreadsheet Instead of General Ledger**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.575 Crime Victim Assistance  
Federal Award Numbers: 2017-VA-GX-0057  
Questioned Costs: \$0  
Pass-through Entity: 0  
Prior Year Single Audit Report Finding Number: PY-2019-019

One of the cash draw requests tested (a 14% error rate) included errors that had a net effect of \$27,036 being underdrawn for the Crime Victim Assistance program (CVA). UOVC calculates the federal cash draws using an employee-prepared spreadsheet instead of the state's general ledger, or FINET. Because FINET captures all financial activity for the CVA, UOVC should use FINET data to prepare cash draws in a consistent manner. UOVC should also be completing thorough reviews of each draw to ensure draws are prepared in a consistent manner, on a reimbursement basis, and include proper coding; and the timing of the draw is in compliance with 31 CFR part 205. UOVC's current procedures allow for inconsistency in capturing expenditures and requesting incorrect reimbursement amounts from the federal government. Continuing current practices could result in noncompliance with federal cash management requirements.

Recommendation:

We recommend UOVC uses FINET data to prepare draws and thoroughly review draws prior to requesting reimbursement.

UOVC's Response:

*UOVC agrees that FINET data is the only acceptable data for preparing cash draws and that the use of employee generated data for this purpose is neither allowable nor acceptable. UOVC is eager to fully review the information supporting this finding and thoroughly resolve this finding.*

Corrective Action Plan:

*UOVC is eager to fully review the information supporting this finding and thoroughly resolve this finding. UOVC has enhanced its budgetary controls in FINET to further prohibit the recording of expenditures in excess of available funds, per grant. This will greatly reduce the probability or need of internal journal adjustments at the time of drawing grant funds. UOVC strictly prohibits the drawing of federal funds to reimburse expenditures not recorded in FINET. UOVC has requested additional training and consultation for its entire staff from the Utah Division of Finance on the use and capabilities of FINET. UOVC will increase its internal monitoring and record keeping in this area to assure strict compliance of the requirements that only FINET Data is used to prepare draws and that UOVC thoroughly reviews draws prior to drawing reimbursements. This process will be thoroughly evaluated and tested in conjunction with the corrective action plan for Finding 1.*

*Contact Person: Gary Scheller, UOVC Director, 801-227-9375  
Lynsey Stock, UOVC Audit Manager, 304-545-7589  
Tallie Viteri, UOVC Assistant Director, Assistance Grants Program  
Manager, 801-297-2620  
Patti Jensen, UOVC Financial Manager, 801-238-2368  
Arnold Liu, UOVC Federal Funds Financial Analyst, 801-238-2374  
Connie Wettlaufer, UOVC Admin Asst./Drawdown Specialist,  
801-238-2371*

*Anticipated Correction Date: July 1, 2021*

## 8. Subrecipient-Reported Information Not Adequately Verified

Federal Agency: Department of Justice  
CFDA Number and Title: 16.575 Crime Victim Assistance  
Federal Award Numbers: 2016-VA-GX-0052; 2017-VA-GX-0057  
2018-V2-GX-0051; 2019-V2-GX-0063

Questioned Costs: \$0

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Numbers: 2019-017

UOVC does not perform procedures to verify the information reported on the U.S. Department of Justice, Office for Victims of Crimes Annual Performance Measurement Tool (PMT) Report. This information is used to ensure the requirements are met related to the 30 percent minimum level of effort for priority categories of crime victims and the 10 percent minimum level of effort for previously underserved victims of violent crimes. As part of its monitoring procedures, UOVC selects one of a subrecipients reimbursement requests, obtains supporting documentation for the reported amounts, including level of effort amounts, and performs a desk audit to determine the validity of the numbers reported. These desk audits focus on a single reimbursement request by a subrecipient and do not determine the validity of all amounts reported.

Because UOVC does not obtain and review supporting documentation for all necessary data elements, we were unable to determine whether UOVC actually met the 30 percent priority category and 10 percent previously underserved level of effort requirements. All information submitted on the Annual PMT Report should be verified either by obtaining and reconciling supporting documentation to the reported amounts or by performing other procedures to validate the accuracy of the reported amounts and other performance measures submitted by the subrecipients. Inaccurate information on the Annual PMT Report, whether provided to UOVC by the subrecipients or reported by UOVC, could permit program purposes and performance measures to be overlooked or ignored without detection and could potentially affect future program funding.

### Recommendation:

We recommend UOVC establish procedures to verify the amounts reported by subrecipients on the Annual PMT Report, particularly those related to level of effort requirements.

### UOVC's Response:

*UOVC agrees that it is critically important that UOVC adequately verifies subrecipient-reported information. UOVC also agrees that it is critically important that UOVC assure compliance with priority category and level of effort requirements. UOVC is eager to work with the auditor to achieve understanding and resolution of the specific concerns articulated by the auditor in this finding.*

Corrective Action Plan:

*UOVC is eager to work with the auditor to achieve understanding and resolution of the specific concerns articulated by the auditor in this finding. UOVC has again consulted with the grant manager from the federal funding agency and will in conjunction with the corrective action plan in Finding 1, work extensively with the auditor to fully resolve the auditors concerns on this finding.*

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Anticipated Correction Date: July 1, 2021*

**9. Grant Expenditures Recorded Outside the Allowable Spending Period**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.575 Crime Victim Assistance  
Federal Award Numbers: 2016-VA-GX-0052  
Questioned Costs: \$9,103  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Numbers: N/A

The Utah Office for Victims of Crime (UOVC) recorded \$9,103 in expenditures after the VOCA16 award's December 31, 2019 close-out deadline because it used an employee-generated spreadsheet to track administrative expenditures. The spreadsheet did not reconcile to FINET. 2 CFR 200.303(a) state, "The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Inadequate internal controls over period of performance resulted in questioned costs of \$9,103 and noncompliance with grant requirements.

Recommendation:

We recommend UOVC either:

1. Use FINET to track and cap administrative expenses to 5%; or
2. Have a person, independent of the spreadsheet preparation, reconcile the employee-prepared spreadsheet to FINET.

UOVC's Response:

*UOVC agrees that expenditure adjustments were recorded outside the allowable spending period of the grant. UOVC also agrees that as a result of inadequate internal controls, \$9,103 in*

*allowable expenditures occurring within the allowable spending period were internally adjusted and therefore recorded outside of the allowable spending period. UOVC respects the auditor's role in questioning these costs in the single audit process.*

Corrective Action Plan:

*The established budgets in FINET for the allowable administrative expenses of the VOCA Compensation grant have had enhanced budget settings added to prohibit the recording of any charges in excess of the allowable 5% of the grant. UOVC will increase its internal monitoring on this matter. UOVC, in the process of the corrective action plan on Finding 1, will test and verify the effectiveness of the enhanced internal controls as well as develop and adopt internal monitoring of these practices.*

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*Anticipated Correction Date: July 1, 2021*

## **10. Quarterly Financial Report Did Not Agree to Accounting System**

Federal Agency: Department of Justice

CFDA Number and Title: 16.575 Crime Victim Assistance

Federal Award Numbers: 2016-VA-GX-0052; 2017-VA-GX-0057  
2018-V2-GX-0051; 2019-V2-GX-0063

Questioned Costs: N/A

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Numbers: 2019-017

UOVC prepared its quarterly financial reports using amounts from its Grant Management System (GMS) rather than using information recorded in State's accounting system (FINET). The 2016 Award's September 30, 2019 final SF-425 Report Line 10.j. reported \$5,572,590.68 which agreed to a client-prepared standalone spreadsheet maintained outside FINET, which crashed and needed to be rebuilt. Therefore, we could not agree the report to FINET. The amounts on the federal financial reports should agree to FINET. This practice could permit improper amounts to be reported on the SF-425 without detection, which could potentially affect future program funding.

Recommendation:

We recommend UOVC use FINET data to populate amounts reported on financial reports.

UOVC's Response:

*UOVC agrees that line 10.j. of the described federal form does not agree to the information recorded in the state's accounting system (FINET). Though FINET does not contain and cannot provide the information for line 10.j. of the described federal form, UOVC is eager to work with the auditor to assure that all reports are completed using FINET and all appropriate accounting and recording practices are otherwise used to assure all federal financial reports are complete and accurate according to FINET.*

Corrective Action Plan:

*UOVC has requested additional training and consultation for its entire staff from the Utah Division of Finance on the use and capabilities of FINET. UOVC will increase its internal monitoring and record keeping in this area to assure strict compliance of the requirement that only available FINET data is used to populate amounts reported on financial reports. UOVC will also ensure that prior to being filed; completed reports are thoroughly reviewed by someone other than the person completing the reports. UOVC will work extensively with the auditor and the Utah Division of Finance to understand and fully resolve the auditor's concerns in this finding. This process will be thoroughly evaluated and tested in conjunction with the corrective action plan for Finding 1.*

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**11. Inaccurate Annual Certification Submitted to the Federal Agency**

Federal Agency: Department of Justice  
CFDA Number and Title: 16.576 Crime Victim Compensation  
Federal Award Numbers: 2016-VC-GX-0057; 2017-VC-GX-0019  
2018-V1-GX-0026; 2019-V1-GX-0045

Questioned Costs: \$0  
Pass-through Entity: N/A  
Prior Year Single Audit Report Finding Numbers: 2019-016

The Crime Victim Compensation Annual Certification Part II Line C reported \$5,782,385 in VOCA grant funds and should have reported \$4,936,855—an \$845,530 difference. The amounts reported in this federal financial report should agree to the State's accounting system FINET. UOVC personnel preparing the certification and the person signing the report did not agree the

certification to supporting data. Inaccuracies in the State Certification Form can impact funding for future awards.

Recommendation:

We recommend UOVC agree the certification to supporting data.

UOVC's Response:

*UOVC agrees.*

Corrective Action Plan:

*UOVC has requested additional training and consultation for its entire staff from the Utah Division of Finance on the use and capabilities of FINET. UOVC will increase its internal monitoring and record keeping in this area to assure strict compliance of the requirement that only available FINET data is used to populate amounts reported on the financial reports. UOVC will also ensure that prior to being filed; completed reports are thoroughly reviewed by someone other than the person completing the reports. UOVC will work extensively with the auditor and the Utah Division of Finance to understand and fully resolve the auditor's concerns in this finding. This process will be thoroughly evaluated and tested in conjunction with the corrective action plan for Finding 1.*

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*Anticipated Correction Date: July 1, 2021*

## **12. Sexual Assault Forensic Examination Billing Data Does Not Include Required Information**

Nine sexual assault case files reviewed had incomplete billing data for sexual assault examinations. According to Administrative Rule R270-1-23.9(a), the "billing for [a] sexual assault forensic examination shall identify the victim by name, address, date of birth, Social Security number, telephone number, and patient number." Because UOVC does not use a standardized application, each of the nine cases was missing at least one required item. UOVC could make duplicate payments for an examination if an application does not have enough identifying information.

Recommendation:

We recommend UOVC use a standardized application to comply with R270-1-23.9(a).

UOVC's Response:

*UOVC agrees.*

Corrective Action Plan:

*The Crime Victim Reparation and Assistance Board, which has statutory authority to establish Administrative Rules for UOVC and its programs, has authorized an amended Rules which will change the "Required Information" addressed in this finding. That Rule should become effective prior to July 1, 2021 and the standardized application will be updated to reflect the Rule change. That application form will then be distributed for service providers and the information required accordingly. Additionally, the victim reparation database currently under development will accommodate the submission of the required information in those processes. UOVC will increase its internal monitoring practices to assure the concerns raised in this finding are addressed and resolved.*

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*Anticipated Correction Date: July 1, 2021*