

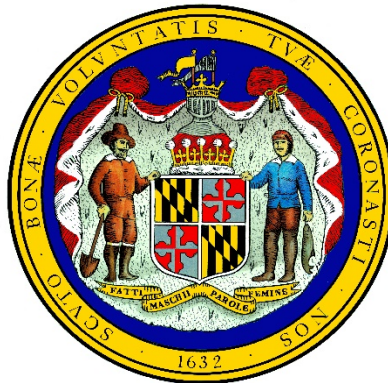
Audit Report

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**Governor's Office of Crime Prevention, Youth, and  
Victim Services**

June 2024

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**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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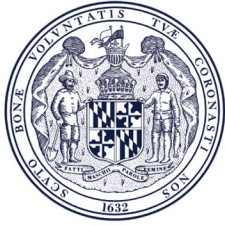
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Gregory A. Hook, CPA  
Legislative Auditor

June 28, 2024

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) for the period beginning November 19, 2018 and ending January 31, 2023. GOCPYVS is responsible for allocating resources and developing public policy related to criminal justice, crime reduction, juvenile delinquency, and victim services.

Our audit disclosed that GOCPYVS did not obtain documentation to support expenditures and performance data reported by grantees and did not have a comprehensive plan to audit grantees to ensure grant funds were used as intended. Although 3,498 grants were awarded during our audit period, only 14 audits were completed, of which 7 identified unallowable expenditures.

In addition, GOCPYVS did not reconcile its grant records for State funded grants to the related State accounting records. Our analysis of grant disbursements in fiscal year 2022, disclosed that grant disbursements recorded on the State's accounting records exceeded the disbursements on GOCPYVS' grant records by \$23.2 million. In addition, since GOCPYVS did not reconcile its grant records, this may have contributed to GOCPYVS paying a grantee \$157,600 more than the grant award.

Furthermore, GOCPYVS did not always submit timely requests for reimbursement of federal fund grant expenditures. Our test of 10 grant awards during the period February 2020 through October 2022 identified 4 reimbursement requests that were delayed between 95 and 157 days after the related expenditures occurred. As a result, based on our calculations, the State lost interest income totaling approximately \$13,000.

GOCPYVS also improperly reverted general funds at the end of fiscal years 2020 and 2022 which resulted in its need for a deficiency appropriation to cover expenditures as they came due in the following fiscal year.

Finally, our audit included a review to determine the status of one finding and part of a second finding contained in our Executive Department – Office of the Governor audit report dated November 12, 2019. We determined that GOCPYVS satisfactorily addressed these findings.

GOCPYVS' response to this audit is included as an appendix to this report. We reviewed the response to our findings and related recommendations, and have concluded that the corrective actions identified are sufficient to address all audit issues.

We wish to acknowledge the cooperation extended to us during the audit by GOCPYVS. We also wish to acknowledge GOCPYVS' willingness to address the audit issues and implement appropriate corrective actions.

Respectfully submitted,

A handwritten signature in black ink that reads "Gregory A. Hook". The signature is written in a cursive style with a large, stylized initial 'G'.

Gregory A. Hook, CPA  
Legislative Auditor

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## Background Information

### Agency Responsibilities

The Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) was created effective March 7, 2020 by Chapter 11, Laws of Maryland, 2020. The legislation created GOCPYVS from the former Governor's Office of Crime Control and Prevention (GOCCP). In addition, the legislation renamed the former Governor's Office for Children (GOC) to be the Division of Children and Youth under GOCPYVS and transferred all duties and responsibilities of the former GOCCP and GOC to the newly established unit.<sup>1</sup>

GOCPYVS is a coordinating office that allocates resources and develops public policy related to criminal justice, crime reduction, juvenile delinquency, and victim services. It plans, promotes, and funds efforts with governmental entities, private organizations, and the community to advance public policy, enhance public safety, reduce crime and juvenile delinquency, and serve victims.

The activities related to the former GOCCP and GOC through November 18, 2018, were included in OLA's audit of the *Executive Department – Office of the Governor; Boards, Commissions, and Offices; Governor's Office for Children; Office of the Deaf and Hard of Hearing* dated November 12, 2019. Due to enhanced responsibilities and the significance of funding, we have determined that a separate audit of GOCPYVS is now warranted. Consequently, our current audit of GOCPYVS includes activities subsequent to November 18, 2018.

According to the State's records, GOCPYVS' expenditures totaled approximately \$367.7 million (primarily operating expenditures) during fiscal year 2023 (see Figure 1 on the following page). As of June 30, 2023, approximately 19.7 percent of GOCPYVS' positions were vacant. The vacancies included certain positions which may have contributed, at least in part, to some of the issues identified in this report.

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<sup>1</sup> As noted on page 7, a Governor's Executive Order effective January 18, 2024 reorganized and renamed GOCPYVS.

**Figure 1**  
**GOCPYVS Positions, Expenditures, and Funding Sources**

<b>Full Time Equivalent Positions as of June 30, 2023</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	53	80.3%
Vacant	13	19.7%
<b>Total</b>	<b>66</b>	
<b>Fiscal Year 2023 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$ 6,740,301	1.8%
Technical and Special Fees	1,262,463	0.4%
Operating Expenses	359,689,665	97.8%
<b>Total</b>	<b>\$367,692,429</b>	
<b>Fiscal Year 2023 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$283,352,204	77.1%
Special Fund	12,640,222	3.4%
Federal Fund	69,872,949	19.0%
Reimbursable Fund	1,827,054	0.5%
<b>Total</b>	<b>\$367,692,429</b>	

Source: State financial and personnel records

### **External Fiscal Audit**

The 2021 Joint Chairmen’s Report (JCR) required GOCPYVS to contract with an accounting firm for a fiscal audit of the GOCPYVS grants management processes and all grants budgeted in the 2020 and 2021 legislative appropriations and to issue an audit report by December 31, 2021. The JCR request was a response to a significant number of erroneous grant reversions in fiscal 2020, resulting in \$17.2 million in general fund revisions. GOCPYVS did not obtain and submit the audit report because of staffing issues. Accordingly, the 2023 JCR included the same request, with the addition of grants budgeted in 2022 to the scope of the audit.

The private accounting firm’s audit commenced in January 2023 and a final report, dated May 12, 2023, was submitted to the General Assembly in June 2023. The audit report did not include findings but included six recommendations (see Figure 2). Five recommendations (1, 2, 3, 5, and 6) related to GOCPYVS’ Grants

Management System (GMS) and one recommendation (4) related to personnel productivity.

**Figure 2**  
**External Audit of GOCPYVS Grants Management Process**

<b>Recommendation/GOCPYVS Response</b>	
1	GOCPYVS management should include in GMS (Grants Management System) the underlying support provided by the subrecipient grantee for expenditures made and track such items by fiscal year. <i>Agree. This has not been a practice in the past due to the imposition it will place on recipients, but the agency will implement this recommendation.</i>
2	GOCPYVS should track all grant activity centrally in GMS. <i>Not all grants allocated by the agency are competitive awards and do not require the needs of the GMS system. Many of the generally funded grants are passthrough or formulaic and a one-time issuance.</i>
3	GOCPYVS should store in GMS all future Federal Financial Reports (FFR) and supporting Financial Management Information Systems (FMIS) expenditure activity reports. Additionally, management should consider uploading available information for historical activity (i.e., old FFR and expenditure support). <i>Agree.</i>
4	It was observed that fiscal grants specialists on average for 2022 processed approximately \$54 million of expenditures while the six grants' specialists processed approximately \$37 million of grant awards. GOCPYVS should perform a time study of individual processes to determine the appropriate level of volume of activity each person is responsible for. Through this time study, GOCPYVS' management can determine the optimum levels of output and design accountability around such amounts. <i>Agree.</i>
5	GOCPYVS should track all grants awarded through GMS and include full documentation of activity. As GOCPYVS continues to develop the Standard Operating Procedures, it should consider the capabilities within GMS to determine if it can be utilized better to support and manage the grant activity. <i>Agree. The agency uses GMS to the extent practical and will work with a vendor to upgrade the system so that it can be utilized to track all grants.</i>
6	GOCPYVS should perform monthly reconciliations between FMIS and GMS to document that the grant activity recorded in GMS is properly reflected in FMIS. GOCPYVS should perform budget to actual comparisons to prevent activity that is over budget. It is recommended that GOCPYVS perform a time study of individual processes to determine the appropriate level of volume of activity each person is responsible for. <i>Agree.</i>

Source: [https://dlslibrary.state.md.us/publications/JCR/2023/2023\\_19-20\\_2023.pdf](https://dlslibrary.state.md.us/publications/JCR/2023/2023_19-20_2023.pdf)



The fieldwork for our audit concluded concurrently with the issuance of the private accounting firm's fiscal audit report. Our audit report includes one recommendation (recommendation 2a) that is similar to recommendation 6 noted above from the independent audit.

### **Organizational Change and Renaming Subsequent to Audit Field Work**

On January 18, 2024, the Governor signed an Executive Order which reestablished the Governor's Office for Children as a separate unit within the Executive Department, rather than being part of GOCPYVS. The Order also renamed GOCPYVS to be the Governor's Office of Crime Prevention and Policy.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of one finding and part of a second finding contained in our Executive Department – Office of the Governor audit report dated November 12, 2019. We determined that GOCPYVS satisfactorily addressed these findings.

# Findings and Recommendations

## Grants

### Background

According to the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) records, from November 19, 2018 through January 31, 2023 GOCPYVS awarded 3,498 grants totaling approximately \$912.7 million, of which \$770.2 million was awarded in accordance with statute or budgetary appropriation and \$142.5 million was competitively awarded by GOCPYVS. Further, of these awards 1,976 related to State funded grants totaling approximately \$653.5 million, of which \$559.3 million was awarded in accordance with statute or budgetary appropriation and \$94.2 million was competitively awarded.

GOCPYVS paid grantees based on quarterly reports prepared by grantees that included grant expenditures and performance data. Grant disbursements were processed through the State's Financial Management Information System and related grant activity was maintained in GOCPYVS' Grants Management System.

### Finding 1

**GOCPYVS did not obtain documentation to support expenditures and performance data reported by grantees and did not have a comprehensive plan to audit grantees to ensure grant funds were used as intended.**

### Analysis

GOCPYVS did not obtain documentation to support expenditures and performance data reported by grantees and did not have a comprehensive plan to audit grantees to ensure grant funds were used as intended. Specifically, GOCPYVS paid grantees based on quarterly reports of grant expenditures and performance data submitted by grantees without requiring grantees to submit supporting documentation to ensure the grant funds were being used as intended. GOCPYVS management advised us that, rather than requiring the submission of supporting documentation with quarterly reports, it reviewed the grantee's support for the reported grant expenditures during triennial audits. However, our review disclosed that GOCPYVS only did a limited number of audits, did not have a comprehensive plan to audit the grantees, and did not ensure its audit conclusions were supported.

For grants awarded between November 19, 2018 and November 1, 2020, GOCPYVS only conducted 14 audits of the 1,802 grants awarded which represented approximately \$6.5 million of the \$406.2 million awarded (2 percent).

Furthermore, GOCPYVS did not conduct any audits of the 2,804 grants awarded between November 1, 2020, through December 31, 2023, with grant awards totaling \$816.5 million. In our opinion, GOCPYVS lacks the necessary resources to conduct audits of all grantees but did not have a comprehensive plan to prioritize which grantees should be selected for audits (such as based on the significance of the grants or risk associated with the grantee). In addition, for the audits that were performed, GOCPYVS did not verify that the reported performance data related to the use of the grant funds.

GOCPYVS also did not always maintain support for the conclusions reached in its audits. Specifically, GOCPYVS did not retain supporting documentation for audits with no reportable findings, and our review of four audits with reportable findings disclosed that two did not have adequate support for the conclusions reached. For example, one audit report noted that a grantee did not comply with the grant terms to provide \$18,000 in matching funds. However, GOCPYVS did not retain documentation supporting this conclusion.

The lack of sufficient audit effort is significant because 7 of the 14 audits GOCPYVS conducted (which covered just \$6.5 million of the \$1.22 billion in grant awards noted above) identified unallowable expenditures totaling \$126,000. Consequently, there is a lack of assurance that all grant funds were expended in accordance with the related grant agreements and that all grantees were achieving the grant programs' intended objectives, as specified in the grant awards.

### **Recommendation 1**

**We recommend that GOCPYVS develop a comprehensive process to ensure grant payments are supported by reliable grantee expenditures and performance data. Specifically, GOCPYVS should**

- a. establish a policy to require grantee reporting of supporting documentation to enable it to verify grantee data, on a test basis;**
- b. create a formal grantee audit policy that provides for the selection of grantees for audit based on objective criteria and ensures all audits are performed in a comprehensive manner, retaining appropriate documentation to support conclusions; and**
- c. take appropriate action to recover any grant payments that are determined to be unsupported.**

**Finding 2****GOCPYVS did not reconcile its grant records for State funded grants to the related State accounting records resulting in discrepancies going undetected.****Analysis**

GOCPYVS did not reconcile its grant records for State funded grants to the related State accounting records. As a result, there was a lack of assurance that GOCPYVS' grant records were complete and accurate. In this regard, our analysis of disbursements related to 421<sup>2</sup> of 441 State funded grants awarded in fiscal year 2022 disclosed that grant disbursements recorded on the State's accounting records (\$117.8 million) exceeded the disbursements recorded on GOCPYVS' grant records (\$94.6 million) by \$23.2 million. GOCPYVS was not aware of and could not readily explain the discrepancy.

The failure to conduct periodic reconciliations and the lack of reliable grant records could have contributed, at least in part, to GOCPYVS disbursing funds to grantees in excess of their related grant awards. Specifically, our review of 112 police protection grant awards totaling \$74.6 million disclosed overpayments totaling approximately \$718,000 related to 34 grant awards. In one instance, GOCPYVS paid the grantee \$157,600 more than the related grant award. GOCPYVS was not aware of, and could not readily justify, the apparent excess payments to this grantee.

The Comptroller of Maryland's *Accounting Procedures Manual* requires a monthly reconciliation of separate agency-based systems to the State's accounting records. The grant agreement establishes the awarded amount which is the maximum amount the grantee can receive from that grant award.

**Recommendation 2****We recommend that GOCPYVS**

- a. establish and implement procedures to reconcile its grant records for State funded grants to the State's accounting system and investigate any differences including the \$23.2 million noted above, and**
- b. review the aforementioned payments that exceeded the grant awards and take appropriate corrective action.**

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<sup>2</sup> Our analysis excluded 20 grants with disbursements totaling approximately \$3.3 million which were made via interagency transfer. We focused our analysis on grants which were disbursed via physical checks or wire transfer, which accounted for the majority of disbursements.

## Federal Funds

### **Finding 3**

**GOCPYVS did not always submit timely requests for reimbursement of federal fund grant expenditures resulting in lost interest income totaling at least \$13,000.**

### **Analysis**

GOCPYVS did not always submit requests for reimbursement of federal fund grant expenditures in a timely manner. Consequently, the State lost interest income that would have been earned had the funds been requested and received timely. These expenditures primarily related to local law enforcement grants to cover the cost of various programs for victims of crime. According to the State's records, during fiscal years 2020 through 2023, federal fund grant expenditures totaled \$254.3 million, the majority of which related to the Crime Victim Assistance Act.

Our test of federal fund reimbursement requests for 10 grant awards<sup>3</sup> totaling \$22.3 million during the period February 2020 through October 2022 disclosed that 4 reimbursement requests, totaling \$6.5 million, were submitted between 95 and 157 days after the related expenditures occurred. For example, reimbursement for February 28, 2022 expenditures totaling \$2.1 million related to the Crime Victim Assistance Act grant were not requested until July 5, 2022 (126 days after the expenditure). Federal guidelines for these grant funds permit reimbursements to be requested when expenditures are incurred. Based on our calculations, which allowed for drawdowns 60 days after the end of the month in which the expenditure occurred, the untimely recovery of these expenditures resulted in lost interest income to the State totaling approximately \$13,000.

### **Recommendation 3**

**We recommend that GOCPYVS timely submit requests for reimbursement of federal fund grant expenditures.**

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<sup>3</sup> We selected 10 significant drawdown journal entries totaling \$26.3 million and then selected 1 grant expenditure from each (totaling \$22.3 million) which occurred during the period February 2020 through October 2022.

## Year-End Closeout

### **Finding 4**

**GOCPYVS improperly reverted general funds at the end of fiscal years 2020 and 2022, resulting in the need for subsequent deficiency appropriations.**

### **Analysis**

GOCPYVS improperly reverted general funds at the end of fiscal years 2020 and 2022, resulting in the need for subsequent deficiency appropriations. This condition was caused, at least in part, because GOCPYVS did not record year-end accrued expenditures for outstanding liabilities at the end of fiscal years 2020 and 2022, as required. As a result, the funds were not available to cover these expenditures when they became due in the subsequent fiscal year. Although sufficient unspent general funds remained at the end of fiscal years 2020 and 2022 to fund accrued expenditures, the failure to record those accruals, coupled with the reversion of unspent appropriations, necessitated deficiency appropriations in fiscal years 2021 and 2023 totaling \$4.8 million and \$16.9 million, respectively.

The Comptroller of Maryland General Accounting Division's (GAD) annual closing instructions require agencies to estimate the amount of expenditures related to goods and services provided prior to July 1 for which the related invoice has not been received and record them as an accrued expenditure.

### **Recommendation 4**

**We recommend that GOCPYVS**

- a. ensure the propriety of all amounts reverted at fiscal year-end; and**
- b. record all required fiscal year-end transactions, including accrued expenditures, in accordance with the GAD instructions.**

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Governor's Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) for the period beginning November 19, 2018, and ending January 31, 2023. The audit was conducted 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine GOCPYVS' financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included grants, federal funds, budgetary closeout, procurements and disbursements, and payroll. We also determined the status of one finding and part of a second finding contained in our Executive Department – Office of the Governor audit report dated November 12, 2019.

Our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of GOCPYVS' compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administrated by State agencies, including GOCPYVS.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our test of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of November 19, 2018 to January 31, 2023, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of GOCPYVS' operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance

of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from GOCPYVS' grants management system and from the Statewide Personnel System for the purpose of testing certain areas, such as grant and payroll transactions. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

GOCPYVS' management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to GOCPYVS, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for



improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect GOCPYVS' ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to GOCPYVS that did not warrant inclusion in this report.

GOCPYVS' response to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise GOCPYVS regarding the results of our review of its response.

APPENDIX



Maryland

GOVERNOR'S OFFICE OF CRIME  
PREVENTION AND POLICY

WES MOORE  
Governor

ARUNA MILLER  
Lieutenant Governor

DOROTHY LENNIG  
Executive Director

June 14, 2024

Mr. Gregory A. Hook, CPA  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, MD 21201

Dear Mr. Hook,

Enclosed please find responses related to the audit report on the Governor's Office of Crime Prevention, Youth, and Victim Services for the period beginning November 19, 2018 and ending January 31, 2023. The Governor's Office of Crime Prevention and Policy (GOCPP), formerly known as the Governor's Office of Crime Prevention, Youth and Victim Services, would like to thank your audit team for their professionalism and thoroughness during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dorothy J. Lennig".

Dorothy J. Lennig, Esq.  
Executive Director

cc: Sylvia Senkus, Chief Financial Officer, GOCPP

Attachment

# Governor’s Office of Crime Prevention, Youth, and Victim Services

## Agency Response Form

### Grants

**Finding 1**  
**GOCPYVS did not obtain documentation to support expenditures and performance data reported by grantees and did not have a comprehensive plan to audit grantees to ensure grant funds were used as intended.**

We recommend that GOCPYVS develop a comprehensive process to ensure grant payments are supported by reliable grantee expenditures and performance data. Specifically, GOCPYVS should

- a. establish a policy to require grantee reporting of supporting documentation to enable it to verify grantee data, on a test basis;
- b. create a formal grantee audit policy that provides for the selection of grantees for audit based on objective criteria and ensures all audits are performed in a comprehensive manner, retaining appropriate documentation to support conclusions; and
- c. take appropriate action to recover any grant payments that are determined to be unsupported.

Agency Response			
<b>Analysis</b>			
Please provide additional comments as deemed necessary.			
<b>Recommendation 1a</b>	Agree	<b>Estimated Completion Date:</b>	09/30/2024
Please provide details of corrective action or explain disagreement.	<p>GOCPYVS is currently in the process of updating the current subrecipient monitoring methodology and policies.</p> <p>The agency is working on an annual financial and programmatic risk assessment of subrecipients (performing quarterly if deficiencies are detected).</p> <p>In addition to any required documentation, the agency will, on a test basis, request subrecipients to provide supporting documentation to verify expenditures and monitor compliance. Implementation of the above-mentioned attributes will provide reasonable assurance with regards to the adequacy of subrecipient billings and reduce the risk of misstatements and misappropriations.</p>		
<b>Recommendation 1b</b>	Agree	<b>Estimated Completion Date:</b>	09/30/2024

# Governor’s Office of Crime Prevention, Youth, and Victim Services

## Agency Response Form

<b>Please provide details of corrective action or explain disagreement.</b>	The agency is developing an updated grant audit policy to evaluate and monitor compliance based on objective criteria. Any documentation collected to perform the audit will be retained to support findings.		
<b>Recommendation 1c</b>	Agree	<b>Estimated Completion Date:</b>	Complete
<b>Please provide details of corrective action or explain disagreement.</b>	The agency currently performs a review process and determines what if any amounts are disallowed and/or unsupported. Grantees are formerly notified, and a repayment plan is determined. Grantee(s) may submit a check or have amount deducted from next reimbursement.		

# Governor’s Office of Crime Prevention, Youth, and Victim Services

## Agency Response Form

**Finding 2**  
**GOCPYVS did not reconcile its grant records for State funded grants to the related State accounting records resulting in discrepancies going undetected.**

**We recommend that GOCPYVS**

- a. establish and implement procedures to reconcile its grant records for State funded grants to the State’s accounting system and investigate any differences including the \$23.2 million noted above, and**
- b. review the aforementioned payments that exceeded the grant awards and take appropriate corrective action.**

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>			
<b>Recommendation 2a</b>	Agree	<b>Estimated Completion Date:</b>	Complete
<b>Please provide details of corrective action or explain disagreement.</b>	GOCPYVS has implemented monthly reconciling between the Grant Management System (GMS) and the Financial Management Information System (FMIS). Any differences are promptly addressed. The noted variance of \$23.2 million was primarily due to \$18.6 million for the fourth quarter distribution of a state program and various year-end accruals recorded in FMIS but not in GMS. At the time, due to its unique quarterly payments, the program was not monitored within GMS but has since been added.		
<b>Recommendation 2b</b>	Agree	<b>Estimated Completion Date:</b>	Complete
<b>Please provide details of corrective action or explain disagreement.</b>	After further review it was determined that the \$157,600 was not an over payment of the grant award but rather the result of a Grant Adjustment Notice (GAN). The modified award amount had not been updated within GMS. The agency has implemented processes to ensure adjustments are reviewed and updated in a timely manner within the grant system.		

# Governor's Office of Crime Prevention, Youth, and Victim Services

## Agency Response Form

### Federal Funds

**Finding 3**

**GOCPYVS did not always submit timely requests for reimbursement of federal fund grant expenditures resulting in lost interest income totaling at least \$13,000.**

**We recommend that GOCPYVS timely submit requests for reimbursement of federal fund grant expenditures.**

<b>Agency Response</b>			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>			
<b>Recommendation 3</b>	Agree	<b>Estimated Completion Date:</b>	Complete
<b>Please provide details of corrective action or explain disagreement.</b>	GOCPP has implemented monthly reconciliations and requests of drawdown amounts by the 15 <sup>th</sup> of each month. Federal funds are received within 3-5 business days and promptly recorded within FMIS.		

# Governor’s Office of Crime Prevention, Youth, and Victim Services

## Agency Response Form

### Year-End Closeout

**Finding 4**  
**GOCPYVS improperly reverted general funds at the end of fiscal years 2020 and 2022, resulting in the need for subsequent deficiency appropriations.**

**We recommend that GOCPYVS**

- a. ensure the propriety of all amounts reverted at fiscal year-end; and**
- b. record all required fiscal year-end transactions, including accrued expenditures, in accordance with the GAD instructions.**

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>			
<b>Recommendation 4a</b>	Agree	<b>Estimated Completion Date:</b>	06/30/2024
<b>Please provide details of corrective action or explain disagreement.</b>	The agency will ensure that any reverted amounts are accurate and proper.		
<b>Recommendation 4b</b>	Agree	<b>Estimated Completion Date:</b>	06/30/2024
<b>Please provide details of corrective action or explain disagreement.</b>	The budget and expenditures are monitored monthly. Prior to and during year-end close, collaborative, and coordinating efforts have been outlined and timelines set to ensure all amounts are accrued properly.		

AUDIT TEAM

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