

## OIG Audit Preparation Transcript

October 27, 2021

Janelle Melohn:

Did you want to start the presentation then, Suzanne? Or did you want to wait for people to join?

Suzanne Breedlove:

I think we've got about 16 right now, and I think people will come in as we get started that may just be running a few minutes late. We've got time if you want to wait.

Janelle Melohn:

No, it's fine. We can get going with the initial housekeeping anyway. Welcome everybody. Thanks for attending this webinar on how to prepare for an OIG audit. There's a lot of good information in this presentation. Special thank you to both Amy and Gene for participating in it with us and co-presenting. Next slide, please. Just a quick introduction. For anybody who doesn't know, my name's Janelle Melohn. I'm the Director of the OVC VOCA Center alongside Suzanne Breedlove, Senior Program Manager on Compensation, and Kellie Rabenhorst, Senior Program Manager on Victim Assistance.

Kellie Rabenhorst:

So before we start, just a reminder. This session is recorded to ensure that we capture all feedback provided and the information that is shared. The recording and transcript will be emailed to participants when the transcript is available. All participants should remain on mute unless you're called on to speak. So if you have a question or would like to share something, you can put that in the chat. So you'll see on the screen, at the bottom of your screen or the top, it kind of depends, there should be a chat box that you can put that in. If you would like to raise your hand to speak, particularly when we get to the Q&A part, then under the reactions button, there should be an option for you to raise your hand.

Suzanne Breedlove:

Thank you, Kellie. And today's presentation, as Janelle said, is for Victims Compensation Programs on OIG Audit Preparation. Next slide, please Kellie. For our learning objective today, we are going to help victim compensation administrators prepare for an OIG audit. This presentation has been developed with input from victim comp administrators who have experienced a recent audit. The purpose of the presentation is to help you understand the audit process so your program can be better prepared when selected. Throughout the presentation, you will hear the word "may" frequently. This is because no two audit experiences or state comp programs are identical, therefore we are providing you general information based on our shared experiences.

Next slide. Before your program is selected for an audit, it is recommended that you watch the US Department of Justice OIG webinar series, and it's online. It's entitled The Audit Process, and there's four steps the OIG goes through: the start of the grant award, field work and review process, findings, and finishing the audit. We encourage you to review those videos or transcripts to become more familiar with the process. In this presentation, we're only covering the preparation for an audit. We're not going through findings or anything like that. This will just be how to prepare. And we have a poll question for you that I'm going to initiate. We're curious, if any programs on the call have had an OIG

audit and where you're at in the process. So I'm going to launch that poll, if you can please answer, I'll give you just a few seconds. Okay. Here is the result of the poll. It looks like 45% have had an OIG audit, 36% have not, no one's just received notification, and some are in the process or in progress right now. So thank you very much for answering that.

Okay. Now we will go through what typically happens before the audit begins. When your program has been selected for an audit, the first notification may be by phone to determine your schedule and to discuss items such as your State's legislative sessions going on, the impact of the pandemic, if that's applicable, any system issues that exist, and if the audit could be done totally remotely. After this initial phone conversation to determine dates, an email and the official audit letter is usually sent from the OIG Regional Audit Office to the authorizing official on the grant, and it may be cc'd to your agency administrator and your finance person listed in JustGrants.

Next slide, please. Before you proceed with gathering what is requested in the audit letter, you may want to consider holding an internal meeting of all the staff who will be involved in responding to the audit and decide who in the State Administering Agency (the SAA), will be responsible for obtaining the information for each part of the audit letter. And there's a lot requested. Consider assigning one individual to work directly with the audit team that is available to answer questions via cell phone, basically days, evening, whatever the auditor might need, and consider passing all the information through one individual who has program management skills to communicate with the audit team and involve internal auditors for formal responses, if you have an internal audit team.

Now let's hear from our two presenters, Gene McCleskey of Texas and Amy Dunlap of Tennessee. Both Gene and Amy have had audits, and they're in the process, I think, of closing their audits. I had an audit when I was the administrator in Oklahoma in 2020. Our auditor came the month before the pandemic set in, so she was actually on-site in February. So let's hear from Gene first. Thank you, Gene, for being here.

Gene McCleskey:

Howdy, folks. Glad to work with Suzanne and Amy on this. We're going to be discussing the initial letter that's sent by the OIG and what information may be required in advance of the field-worker site visit. I'll be using the term may be required, but there's some subtleties that'll be in that letter. They don't do anything may, you will provide. But these are different things that you may be asked for. The auditor will generally, in the letter, discuss the span of time that they expect to require when the auditor comes on-site, or if they're going to do a remote audit. In my case, the auditors never came on-site, and they basically negotiated that between the state and the auditor, as far as the time periods and stuff, as they work around your legislative sessions or other things that are going on. For larger states like Texas, there was a team of auditors. For smaller states, as I understand it, you might have just one auditor. So you may hear me referring to auditor or auditors as I do the presentation.

Next slide, please. Once you get your date negotiated, they send an official letter from the Regional Office of the OIG to the state. They usually give you some time before fieldwork begins. So now fieldwork is when they're actually looking at claims or looking at documents and stuff. They've got this time that will vary depending upon your schedule, the schedule of the audit team, what your office's schedule might be, what the legislative session is, etc. In our case, it was during a legislative session, so different hearings and all those kinds of things that were going on. The audit can be done completely remotely, or they can come on-site. It depends a lot on what your claims management system is and your capability to allow them access to your claim files. But also, they would prefer to do it remotely so they don't have to travel during the pandemic, of course.

They typically review the current federal VOCA grant, plus the four previous VOCA grants. So doing my Texas A&M math, that's five grant periods. And even if your state hasn't utilized some of the grant, in our case, we hadn't utilized some of the grant, they still look at the supporting documents for those grants, and that grant may be listed on the audit letter that you get. They'll also list on the audit letter any reports that go to support that grant award. In addition, they're going to ask for any claims that were decided or paid during that grant year ... a lot of data.

Next slide, please. For purposes of this presentation, we're going to talk about the State of Confusion, which is a fictional state that's getting an OIG audit. The State of Confusion was notified in January of 2020 that the OIG would like to audit their VOCA compensation program beginning in February 2020 for grant awards 2016 to 2020, which is about what we got in Texas. We got about a month's notice before everything started. You, as the compensation manager, would check your calendar. If you have to check within your agency with other folks, you would check with them, and you agree to either an on-site meeting in February, or the fact that they're going to do it remotely. That audit letter would then come in an email and would list the actual grant numbers, the grant names, the grant award amounts to be reviewed, along with all the necessary pre-work.

Next slide, please. In the audit scenario we're discussing today, the regional office identifies that the objective of the audit is to evaluate the grantee's design and implementation of its crime compensation program. The letter for this scenario identified four key areas that need to be reviewed: the grant program planning and execution, the program requirements, the performance reporting, or what we commonly refer to in compensation as the PMT reports that we do quarterly and annually, and all grant financial management.

Next slide, please. You need to understand that the regional office can request any information deemed necessary to perform its duties. And in our audit scenario, the regional audit has asked for some very specific information, and the following slides will give you an idea of what may be requested in the initial audit letter. The letter may request detailed and summary accounting records for all of the expenditures charged to the grants. This would include all the claim payments charged to the grants and all of the administrative costs, if you're doing the 5% administrative costs, associated with the grant. That includes salaries, equipment, everything. The auditor may request the data in a specific format. Probably Excel. That is what we provided in Texas, and he may request that the information come directly from your state accounting system or from your claims management system, which is very state-dependent. If our state is like Texas and doesn't separate victim payments between funding sources, and we don't track in Texas our funding sources between federal and state, they may ask you for a summary of all the accounting records for all the periods indicated in the initial audit letter. In other words, they may look at all of the state payments and the federal payments if you don't separate between the two, which is what we did in Texas.

Next slide, please. A lot of words with this slide. Not on the slide, but what I'm going to get ready to say. And you're going to be asked to send a list or data download of all of the approved claims that had payments during each of the grant years. So in other words, if they're auditing your federal FY 2018 grant, on the certification form they're going to ask for all of the approved claims with the payments that make up the data for that certification form. And they're going to ask that regardless of the source to pay the claim, because on the certification, you put both types of funding. And if you're unsure of the date range, you need to ask, ask, ask the OIG people to make sure in case you have to do any programming, like we had to do in Texas, so you just do it one time. So, make sure you get the right date range, format, and the data being requested.

In other words, in Texas, we provided this data via secure Dropbox. If you're not doing it via secure data Dropbox, in other words if you're just going to email information to them, you need to

remove all the personally identifiable information so that your email is still secure. So in other words, you've got to remove the victim's name, the date of birth, social security numbers, and maybe apply a randomized control number so that you can track it back and forth with the OIG auditors.

If your system has the capability, you may be asked to provide all the paid bills in a spreadsheet with the notation of the types of payments. In other words, here's a paid bill that goes with this claim number for this type of expenditure, a funeral payment, a lost of wage payment, a relocation payment, etc. In my experience that helps the auditor, because as they try to determine their random sample, if you don't tell them what types of payment, their random sample, the first time they pull it, might be all funeral payments. And then they have to come back and do another random sample because they want to look at all different types of payments that you do.

In our state, what we did when we gave the data response, and what you may want to look at, is as you get the data response, do it in one Excel workbook for each grant so that you have paid claims, denied claims that we'll talk about here in a minute, and all the information in one workbook so that it all tracks together and you can keep track of it. The audit team then can select records for review based on the data that you've provided, and they'll do a random sample. If your state's claim records are all electronic, like they are here in Texas, we had to clarify with them what information was in the claim file electronically that they could see versus possibly a state that might be part electronic and part paper and what they can't see.

We had to include all the data in our data upload. So that was crime type, date of crime, payment data, types of bills paid. In a state, if you keep all the information in a paper file, you'll need to eventually probably provide that paper file in some form for the auditors to look at, whether that's scanned or whether if they come on-site and look at it, they'll look at the file on-site. On-site for those that do paper files is certainly less burdensome, but some states may have a combination of paper files and electronic files that they'll need to look at.

Next slide, please. You'll also have to provide a list of all the denied claims for the years audited. And of course, we're talking about denied claims at the basic case claim level. Obviously, denied claims, depending on how your state defines denied claims, won't have any payments with them. And you'll have to clarify with the OIG auditor the date range that they're looking for again, to make sure you provide the same data. In other words, are they looking for the date the program denied the claim, or are they looking for the date the claim was received, and then later the date that it was denied? Obviously, this is only at the claim level since there's no payment data, but again, you got to follow the same things. If you're going to provide it to them via a secure transfer, you can provide them all the data in a spreadsheet. If you're not providing it in a secure fashion, you'll have to remove all the personal identifying information. In our experience here in Texas, they were very interested in the denial reasons and the documentation for the denial reasons.

Additionally, you'll get a questionnaire at the start of the audit. And one of the questions in the questionnaire, it's an innocent question, but it's kind of a trap. What is the standard time to process a claim? And if you put down the standard time that I expect the claim to be processed is in one, two, three days, well then, by golly, they're going to audit you against that for the random sample. And they're going to identify which claims didn't perform in that standard time, and then you'll have to say, "Okay. Here's what happened or here's what didn't happen." So be prepared to answer responses if some claims take longer than what you say is the standard time to process a claim.

Next slide, please. They're also going to look at your PMT reports, both the annual and the quarterly, for all the grant years that are the subject of the audit. Now, they're not going to look at every PMT report, they're going to pick some of them to look at. From these reports, they're going to first print them from the OVC PMT system, and then in our audit, they wanted to verify the data that was

contained in the PMT report that we submitted matched exactly the backup data. In other words, the reports that we had to create to create the PMT, and then they randomly selected claims within that report to go back and make sure that the data and the claim matched what was reported in the PMT report.

So in other words, it's the report, your source data for the report, back to the claim where the data was pulled from. They spent a lot of time looking at that making sure everything matched up. You need to be able to help your auditor understand how you collect that information, how it's collected in your application, the parts that are voluntary, the parts that go into your claims management system and how that data is stored your claims management system so it can be traced back to the claim level. I was a little bit surprised at the level of detail they went into on the PMT report.

Next slide, please. State Certification Forms. They'll look at each of the State Certification Forms you did for the supporting grants. So for example, if they're looking at your 2016 grant award, they're going to want to look at your 2014 State Certification and all the supporting data for that 2014 Certification Form. Enough said there. Next slide, please. They're going to look at all backup documentation for Part I of the Certification Form. In our audit, they also reviewed the subrogation and restitution recovery sections with all the data that supported that, and that was kind of a primary focus in our audit.

The auditor asked us for a list of all the payments made on behalf of the victims from all the sources to verify the accuracy of what was reported on the Certification Form. They then took a random sample of those deposits to make sure that we had adequate records to back up the deposit in our claims management system and in our state accounting system, and that the payments were properly coded within our claim system and the state accounting system as either restitution or subrogation that is associated with a paid claim. They also looked at restitution recovery costs for our employees that we put on the Certification Form, and they asked for backup documentation on those employee costs also.

Next slide, please. I'll mention it now, but I'll mention it here in just a second also. Those restitution recovery costs, if that employee is not 100% doing restitution recovery, they ask for time sheets to show how that employee's time is allocated under the grant. Going into this slide, if your compensation program is using the 5% VOCA admin costs, they may request a description of all the cost categories that you use including any employees paid with grant funds, including their name, position, and dates of employment. In our case, they asked for the actual job descriptions that went along with that.

The auditor may also, and in our case did, want to see your agency policies related to how administrative costs are allocated, the indirect cost agreements if you're using indirect costs, and as I said before, time sheets for any employees that are paid with administrative costs, any equipment purchases, how that equipment is tracked within your agency, any purchase orders and contracts if you use the admin funds, as we do in Texas, to pay for system upgrades and system enhancements. So a lot of documentation on the administrative costs.

Each audit team's going to have their own preferences. The audit teams are regionalized as far as how they're going to communicate with you. Be sure you share your preferences with the audit team early on. If you prefer to communicate in writing, I'm sorry, via email, make sure you let them know. If you prefer not to communicate via text message, let them know. In the Texas case, I preferred that we communicate via email so that I could document the question properly, research it, and give it back to them rather than have, if somebody dropped by my office, ask me what I thought was an innocent question and I gave them what I thought was an innocent answer. I wanted all the questions and answers documented and a record kept.

OVC can assess if the auditor is asking for information that pertains to some special condition or any guidance that was previously issued by OVC, PMT questions, or if there were prior OVC site visit reports that the auditors may ask about. And of course, Dan and the National Association have a wealth of information that you may want to utilize as you go through an OIG audit, and the new OVC VOCA Center also can provide technical assistance via Suzanne, or Janelle, or the other experienced folks that are there.

I've said it several times. It's important that when you are transferring this data back and forth between you and the auditors, it's done securely. So in our case, we used some software called Box, but you've got to figure out how you're going to transfer this data back and forth in a secure fashion. Next audit. Or next slide, ha. Yeah. And if I knew before the audit, Amy and I joked, we would've retired. But they do a very good audit and it's a very extensive audit. But one of the things I wished I had done both within the division I manage and with the coordination with the other divisions is ensure that we used a standard file directory structure and naming structure for all of these backup reports so that they were easier to find. In our case, all the backup reports were there, I just didn't know exactly where all they were. All the action people knew exactly where they were, but it would've been better if we would have had a standard policy on file organization and file naming structure.

I would've also had written a policy on how to follow the instructions on completing the Certification Form. That sounds kind of innocent, but you really do need a policy on who's pulling what reports, how are those reports cataloged, where are they kept? We found that we were doing everything exactly the way I thought we were, but it was all employee knowledge. It wasn't a written policy. Auditors don't like to audit against an unwritten policy. They want a written policy to audit you against. Next slide, which I think is not me.

Amy Dunlap:

Hi everyone. It's good to be with you today. Hope that what we're providing you will be helpful when the occasion presents itself. So to continue in that mode, the things that the OIG audit team may request from you, includes a copy of the statutes that govern your program, any rules associated with the program policy and procedure manuals, and any documents used in your program, such as guidelines developed to address specific situations or conditions that you encounter that may not be included in state statute rules or your policies and procedures manual.

Next slide. The auditor may ask for accounting and financial policies and procedures related to grant financial management. This may include procurement and travel policies if those expenses are charged to the grant using administrative funds, or if you pay travel reimbursement to a claimant, for instance. And while this might not be what the program manager does on a daily basis, your counterparts in your financial grant management group should have these policies available. Next slide. If your program has charged capital property or equipment to the grant, the auditor may be interested in seeing a list of items with a per unit cost of \$5,000 or more, as well as the accounting records that support the purchase of the items.

Next. The state administrator may also be asked to provide documentation of any previous site visits focusing on the comp program, grant monitoring, or desk review reports from OVC, management correspondence related to site visits and audits, all state and internal audits and reviews, as well as documentation that shows the findings were adequately addressed if there were any findings on those reviews by any of those groups that may audit or review your work.

Next. They may ask for you to provide a list of all programmatic and financial employees associated with the program, summaries of their duties and roles for each employee associated with the program. And this isn't just the managers, this is all staff members that may touch claims or that have a

role in the process, and that may include a list of board members and their contact information if applicable.

Next. The auditor may request information regarding your Federal Financial Reports. That may include copies of each of the reports for each grant, the documentation that supports the numbers and the FFRs, drawdown information, documentation that supports the drawdown amounts, and individuals involved in the drawdown process. Having good internal controls is important throughout the drawdown process, as it is during claims reviews, and it's important to make sure you're complying with the DOJ Grants Financial Guide regarding not having cash on hand for more than 10 days. So they are looking to make sure that you are implementing all the standards that they expect and your own internal controls, depending on how your process operates.

Next. The auditor may also request a summary of all grant-related activities that are left to be completed. This could be federal financial reports that need correcting, or some other matter that needs attention and is preventing you from closing a grant. Next. If your program has an evaluation, that would be a good document to share with the auditor or audit team. Also, if your program uses a client survey, the auditor may be interested in looking at some of the surveys or a summary of the survey results to see if victims are satisfied with your delivery of services. And if a program does not have a client evaluation or survey, just let the auditor know.

The auditor may ask how victims and claimants find out about victims compensation in your state, and may ask you about your outreach efforts. This may include how your program may distribute materials such as brochures to VOCA-funded agencies, they may be interested in seeing the list of agencies that receive them, or for instance, if you provide a brochure to law enforcement, they might be interested in hearing what that process looks like and reviewing the brochure that you provide for them or to victims. And if you are asked for outreach information, just remember, this is your opportunity to share your excellent work about how your program is helping crime victims and how you are getting the word out to those victims.

Next Slide. So then, after having received the letter, responding to any of their requests to prepare the information that Gene and I have laid out here in the previous slides, the next step would actually be the entrance conference, unless the audit team tells you otherwise, but that's what we've both experienced. The meeting is usually held at the grantee location or virtually if the audit will be done remotely, or a combination of both. The entrance conference may include the grant authorizing official, the victim compensation program administrator and chief financial officer, unless the authorizing official asked to meet with the auditor individually. The purpose of the conference is to identify who will serve as the OIG point of contact during the audit. This will also include the scope and objective of the audit, discussion of the estimated on-site workplace or workspace requirements, if applicable, if they're coming on-site, and it will also allow you the opportunity for your management team to discuss any questions or concerns you may have about the audit process. Management may be asked to submit a management representation letter acknowledging what is expected of the state administrator after the entrance conference.

Next. The following slides are related to fieldwork, and are partially adapted from The Audit Process webinar, OIG webinar for Grantees mentioned at the beginning of the presentation today. After obtaining the information requested in the initial letter, the auditor conducts what's known as a programmatic and financial fieldwork. This is typically done on-site or may be done remotely. Oklahoma's audit was on-site right before the pandemic, as described by Suzanne, and then Tennessee, my state, and Texas were both remote because of the pandemic.

The programmatic fieldwork may include reviewing grant award documents and special conditions, reviewing the selected approved and denied claims, which Gene described, obtaining

documentation of training attended by staff, this would include your condition that you attend the annual conference each year, reviewing your program's internal policies and procedures, and interviewing compensation staff. And just sort of a lesson learned, it's difficult to go from memory on trainings that you and your staff may have attended, so it's good practice to have one person or a designated person on your staff to keep a spreadsheet of all individuals with the program, the trainings attended, the dates, locations, topics of the trainings, any relevant details that would help you show that you have been trained or have at least obtained the necessary and mandated trainings.

Next. The OIG Process webinar also identifies some of the things the auditor may review. This includes direct and indirect costs to determine if the costs are allowable, supported, and properly allocated, including payroll costs if those are applicable. It's during this phase that time sheets will likely be reviewed if that applies to your program, the financial management system that accounts for awarded funds, they will review internal controls, how grant activity is reported, and how expenditures are tracked. And if this fieldwork that they will be performing will be done electronically, the auditors will discuss that with you before or during the entrance conference. In our case, it became very evident that no one would be traveling, so that was kind of a given, but they did stipulate that and we discussed how that would happen.

Next. If you find your audit will be conducted remotely, then you will likely be communicating electronically the entire audit through emails, and virtual meetings would be the expected standard. For a remote audit to happen, you'll need to be able to frequently transmit large volumes of information. And as Gene said, it would need to be secure, and I would add it needs to be efficient. It will be something you're doing over and over again as they ask questions.

During this process, it's important to provide the emails for key staff that will be answering questions, and for those individuals to prepare to respond to those questions and requests timely, promptly. Ensure that the OIG's chosen virtual format platform is available to users and they know how to use it. In our experience, this would likely be Teams or Webex, and select a document transmittal method that is secure, efficient to use, and will be available for up to a number of months. In our case, six months would be my recommendation. This is not a short process, so you'll need to find something that will stand the test of time. And then with that, provide documents in the preferred format.

I would echo Gene in saying that a lot of the financial information we provided was in an Excel format, but along with that, the majority of our other documents were in PDF format. So in our state, we elected to use a secure cloud that is operated by the state. That was an option for us that we had used in the past, and I immediately gravitated to that because it had worked well, and that seemed to satisfy the auditors as well. It was just so much information, and as you know, most firewalls and emails have a limit to what you can attach to emails, so we went straight to the cloud solution.

I was the main contact on our program side. We had a primary contact on our accounting side as well. We knew what each other's requests were. We would document a planned response, so there was a uniform response to any request. And aside from a few one-off situations where we did send something by email, I'd get the okay we needed to respond, we would take that response, put into a folder and subfolder structure on our own directories that our IT group had access to. And when I would give them the go-ahead, they would put that on the cloud. And then we would notify OIG that they had access to the information, and it was relative to a certain email, we would tell them that that information was available on the cloud.

We would also keep track of anything that we added to the cloud, keep track of the emails that we sent back, as well as our responses to their questions. With the cloud, in this particular case, it was a link provided to them along with a password, and that happened to remain the same the entire time. I suppose it could have changed, but we elected to keep it the same. It was more efficient that way. And I

would just suggest that if you use some sort of a platform like that or a temporary location in the cloud, that you remember to delete all the files and remove access when that's finished, or whatever your state requires. Your state IT group might have a solution for you that you haven't thought of, so I would encourage you to explore that prior to an audit so that you have a game plan for when this happens.

Next. And finally, if I knew now what I knew then, what I know now, I would've checked on our ability to use some other virtual platforms, namely Teams. That was initially what the OIG preferred in terms of virtual meetings even as early at our entrance conference, but it was being used very minimally in the state, and we only had one test group in our own department that was using that, and we did all that in favor of Webex. I mean, it was what our go-to was for more than a year during the pandemic, by that point. Well, months. Okay. Months. Months had transpired on remote work before the audit started. So thankfully, OIG did have the ability to do that, and quickly pivoted to Webex, and it worked great the entire time. So with that, don't be afraid for a remote audit. Like Gene said, I do think that in some ways that is easier, and you can do this. It's not too difficult to do, it just might take some prior planning. And with that, I will pivot back to Suzanne.

Suzanne Breedlove:

Thank you very much, Amy and Gene. That was awesome information that you've presented. Now, we'll talk about the exit conference and the draft report. At the conclusion of the auditor's fieldwork, there will typically be an exit conference. The same individuals in the entrance conference are usually in the exit conference, unless you are authorizing official, want other people involved. The auditor usually discusses the preliminary findings, and if the auditor is good about communicating with you throughout the process, there may not be any surprises. That was my experience. We knew exactly what was going to be in that report before we ever had the exit conference. During the meeting, the auditor will explain that a draft report will be produced and sent to the SAA, and then the SAA will then have the opportunity to submit a written response to each of the recommendations in the draft report.

Next slide, please. Having gone through the OIG audit process, I think we can all agree that having written internal policies, good written internal policies, is a good business practice. Some states have program manuals that detail each of the programmatic and financial processes, while others have separate policy for each step, like Gene. He has, I think, what, 130-some policies. While others might have a separate policy for each step, it's a good idea to know where all of that is located for when you do get that request. You can choose what works best in your state. There's no perfect answer. The important message we want to relay is don't delay. Don't wait until you get the letter to start writing policies.

Next, please. Now we're going to go through some important policies and procedures we found, having gone through the audit, that need to be in place. It's a good time to do that, like I said, before you ever get that letter. First thing, having a records disposition schedule for the retention of VC claims and all financial documents, expenses, and deposits that coincide with the DOJ Grant Financial Guide. In my experience, they audited 2016, which was based on the 2014 certification. We had already destroyed our records for 2014, so that was not a good thing. So be sure you keep all of your backup documentation, even though the Financial Guide might say otherwise. Remember, it's two years old by the time you get your award. A policy regarding how the information for the Victim Comp Certification Form is obtained and reported on the form like Gene talked about, methodology that you use to calculate your payments, and your decision-making process and how the documentation supporting payments is received and verified. Policies relating to your online claim filing and management system, and who has access to that system.

They're going to be very interested in that. They want to make sure that people who are not working in your program can't access the victim's records. How your program verifies individuals are eligible. Do you ask for birth certificates, and do you ask for other documentations showing family members who may be requesting loss of support. Policies detailing how and when quarterly financial reporting is completed, how the supporting documentation is maintained, and what staff is assigned to do the reporting in your office. The process for drawing down federal funds and maintaining all the records to back up the drawdown requests. They will be testing you on that whole process to make sure there's a separation of duties, and the length of time it takes the program to process claims and the types of situations that can disrupt the claim processing time.

I recall saying that our goal was to have claims decided in 45 days, and I didn't know the auditor was going to go through all of our claims and test to see whether or not claims were in fact, decided in 45 days. So there were probably, I don't know, maybe 100 records where the decision was later, so we had to go back and show why it was not decided in 45 days. So I guess my advice on that is if you can't do it in that specified amount of time, give yourself some wiggle room in your policies, because if you put an actual date, they're going to hold your feet to the fire on that. Also, conflicts of interest policies and confidentiality policies are important things to have.

Next slide, please. Policies relating to payroll transactions, how you allocate time, time sheet review approval to ensure that personnel costs that are charged to the program are accurately accounted for, and the time spent on the victim's comp program and time sheets are signed appropriately. Policies regarding how administrative costs are allocated that comply with the DOJ Financial Guide and the VOCA guidelines. Policies and procedures do help ensure the PMT is complete, accurate, and timely, including the necessary steps needed to maintain the supporting documentation at the time of reporting so records can be reconciled to the report.

Other important policies are access to victims' files. Again, you want to be sure you limit access to the files, and that can be your IT people that have access to your online records that have a bunch of PII information. The auditor may be looking for confidentiality agreements to make sure all your staff, all staff that has access to the records, has signed an agreement. And then policies and procedures on how refunds are processed and how federal funds are returned to OJP. Believe it or not, you need a policy for that. Breach of personally identifiable information. That's a special condition in your award, so they'll be looking for a policy related to breach of PII, how you report that to OVC, and what you do when you find that there's been a breach.

Does your program have a program manual that shows all the programmatic and financial processes step by step, beginning to end. A program manual may be preferred by you in lieu of individual policies for every step. There are likely other policies we haven't thought about that are not listed here, so just think about all your processes and what you do, and just know that you probably need that documented. Because I know a lot of times, especially those of us who've been in the business a long time, I think between me and Gene and Amy, we probably have close to 100 years of experience between us, you tend to have things in your head, but that doesn't do any good in an audit, so just be sure and document all your processes.

Sorry. I recommend revisiting your policies at least every year to make sure that they're still accurate. Sometimes you change things, people change positions, things change within your organization, and you never really go back to your policies to see if they're still accurate. So that's just a recommendation I would share with you. I think that is it. And now we're going to go into questions and answers. If you're not able to unmute yourself or raise your hand, just put a question in the chat and we'll be sure to get to you.

And I would like to say before we get into the questions and answers, we are planning another session. It will likely be December the 14th at an OIG Summit, not OIG, OVC Summit for Compensation Programs. We're going to be talking about trends and findings more in depth so that you'll have an idea of what the OIG has really looked at in depth. So that's planned for the next session, but for this session, we just wanted to give you a preview of what you can expect. So it kind of takes the fear away if you know what they're looking at. So with that, I'll turn it over to Kellie to facilitate our questions and answers.

Kellie Rabenhorst:

Yeah. Great. So like Suzanne said, if you have a question, you can put it in the chat box, or you can raise your hand and we will call on you. There is a question from Michelle asking what day is the summit?

Suzanne Breedlove:

The summit is tentatively, right now, scheduled for... We were going to have a roundtable the afternoon of December the 14th. Instead of that roundtable, we are likely going to have a four hour summit from... It would be 1:00 PM Eastern to 5:00 PM Eastern on December 14th. It is tentative at the moment, because we have to confirm one of the speakers that's going to be there. But we'll be sure and let everybody know as soon as it's finalized.

Kellie Rabenhorst:

So if anybody has any burning questions about preparing for an OIG audit, feel free to ask them. You could also, if you have an experience that you went through because maybe you've already gone through an audit or in the process of it, you can share that amongst your peers as well. I'm not seeing any questions in the chat box or any hands raised. I'm not sure, I don't think there's anybody from OIG on this call, so it's a fairly safe place if you do have questions.

Amy Dunlap:

If I may, I would mention one other thing to those that are on who want to dig into this a little bit more beyond the OIG webinar, which I'm sure would be helpful. The actual OIG reports for the ones they've concluded are online, and it might be beneficial to skim through some of those. I found that helpful when I was preparing for mine.

Suzanne Breedlove:

At the OVC VOCA Center, we've come up with a list of all of the OIG audits that have been done and we've been analyzing those, and that's part of what we'll be presenting on December the 14th, if that date holds. We've looked at every single one from 2018 to this year. I found it very helpful when I went through them. It kind of validated some of feelings I was having. And I can say that while it was a rather grueling and time-consuming process, it was also rewarding because I felt like we were able to get our program where it needed to be as far as documenting every step, so that when I did retire, which was in May, I felt good about where we were at. So it was a good experience. As hard as it was, it was good. How about you, Amy? Did you have similar feelings about that?

Amy Dunlap:

I did. It validated a lot of things. They're asking you questions and even if it's not a finding, you're still learning things from the process. I was proud of how we had things organized and could

provide them. And they appreciated our prompt responses, which we always do with auditors, frankly. That was no different than our norm, but yeah, you still learn a lot, and there's things that you probably should address, even though they didn't ask about them. So it just highlights things for you in a way that... We all get busy, and maybe we wouldn't notice that otherwise.

Suzanne Breedlove:

One other thing that they did ask a lot about was outreach. I know we probably didn't hit on that enough here, but they really want to know that the public is aware of your program. How are you letting the public know that you exist? We were able to show we had, not with federal funds but with our state funds, we got to where we were buying car chargers with our logo and phone number for police departments. So when we do all the tribal outreach and outreach to our police departments, we would give all the officers car chargers for their cell phones. And we thought, "Well, if they are in the police officer's car, they'll remember to tell the victim about victim's comp." So that was kind of our thought process. And we were able to share that with the auditor, and that was something she really thought was beneficial. So anything that you're doing like that that you can share with them is super positive, and it'll reflect well in your audit report, hopefully. Gene, is there anything else you'd like to add?

Gene McCleskey:

I would add you're going to be audited against your state law and your policies. If your policies say you do a claim one, two, three, and years ago you changed it to three, two, one and you didn't update the policy, they're going to find that on you. So I found that the auditors were very fair, very direct, but they audited us against our policies. They didn't put their personal feelings or opinions into anything. They didn't look at eligibility decisions and disagree with it, or bills and disagree with it. They looked strictly at our state law and policies and our interpretation of that. So that was very refreshing, because I've been on audits before where auditors would come in and have a personal opinion about whether we should have approved or denied a claim. In my experience with the OIG auditors, that was not the case.

As Amy and Suzanne said, while it wasn't the most enjoyable thing I've ever done, it was a validation of a lot of things for us. And certainly, I felt very proud of the job that the staff had done in working through the audit. Large state, large number of claims are going to be looked at. For us, we had to supply, I think, a little over 141,000 records, and they looked at roughly 1,400 individual payments. So that's a lot. Smaller state, it's going to be a smaller number, of course. So that's why, as we said earlier in the presentation, a larger state may have more than one auditor.

Suzanne Breedlove:

Thank you for that, Gene. And Amy, next slide, please. Kellie, I think we're going to wrap up. And as always, if you have any questions at all, if you need any TA at all around the audit issue, please reach out to us at the OVC VOCA Center. We'll be happy to help you. And be sure to look at Gene's hat before you log off. All right. Thanks everybody for coming today. It was great to see everybody.

Janelle Melohn:

Suzanne, did we have an eval for this webinar or no?

Suzanne Breedlove:

No, but we are going to send the recording and the transcript, and we will send the evaluation out at the same time.

Janelle Melohn:

Wonderful. Thank you.

Suzanne Breedlove:

Thank you. All right. Have a great afternoon, y'all. Bye. Thank you, Kellie.