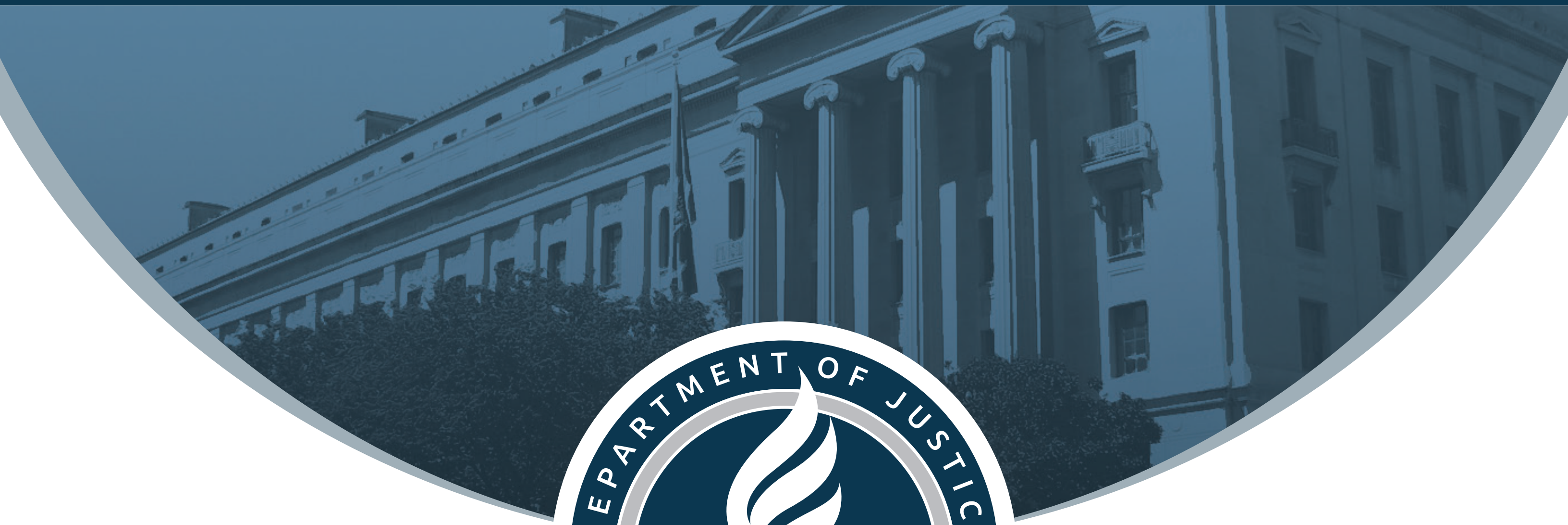

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the North Dakota Department of Corrections and Rehabilitation, Bismarck, North Dakota

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AUDIT DIVISION

26-077

AUGUST 2026

EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the North Dakota Department of Corrections and Rehabilitation, Bismarck, North Dakota

Objective

The objective of the audit was to evaluate how the North Dakota Department of Corrections and Rehabilitation (North Dakota DOCR) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Results in Brief

As a result of our audit, we concluded that the North Dakota DOCR generally had adequate policies and procedures in place to ensure that risks are mitigated and that grant and subrecipient expenditures are adequate. This audit did not identify significant concerns regarding North Dakota DOCR's subaward allocation and selection process, subrecipient reimbursements, administrative expenditures, drawdowns, and Federal Financial Reports. However, we identified areas of subrecipient monitoring that could be improved, including consistent documentation of grant oversight, documentation of performance report analysis, updating Subgrant Award Report (SAR) data to the Office of Justice Programs (OJP), and proactively overseeing subrecipients' matching costs requirements.

Recommendations

Our report contains three recommendations to OJP to assist the North Dakota DOCR in improving its grant management and administration. We requested a response to our draft audit report from North Dakota DOCR and OJP, which can be found in Appendices 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of three Victims of Crime Act (VOCA) victim assistance formula grants awarded by OJP, Office for Victims of Crime (OVC) to the North Dakota DOCR in Bismarck, North Dakota. The OVC awarded these formula grants, totaling $10,141,847 for fiscal years (FY) 2021 through 2023, from the Crime Victims Fund to enhance crime victim services throughout North Dakota. The North Dakota DOCR drew down a cumulative amount of $8,262,027 for the three grants we reviewed.

Program Accomplishments

We found that the North Dakota DOCR effectively used its FYs 2021–2023 grants to distribute VOCA funding to organizations providing direct services to crime victims in North Dakota, making 37 subawards in FY 2021, 25 in FY 2022, and 37 in FY 2023.

Monitoring of Subrecipients

We found deficiencies in the North Dakota DOCR's tracking of subrecipient match compliance, limiting its ability to ensure adherence to VOCA match requirements. The North Dakota DOCR does not consistently maintain documentation of its site visits and desk reviews or verify OJP's Performance Measurement Tool (PMT) data accuracy, hindering North Dakota DOCR's ability to provide reasonable assurance that subrecipients are meeting program requirements and achieving performance goals.

Furthermore, we found 18 instances where SAR data on subrecipient award amounts did not match North Dakota DOCR's records due to delayed updates in PMT after award changes, highlighting the need for timely and accurate SAR reporting.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) audited three victim assistance formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the North Dakota Department of Corrections and Rehabilitation (North Dakota DOCR) in Bismarck, North Dakota. The OVC awards victim assistance grants annually from the Crime Victims Fund (CVF) to state administering agencies (SAA). As shown in Table 1, from fiscal years (FY) 2021 to 2023, these OVC grants totaled $10,141,847.

Table 1

Audited Grants

Fiscal Years 2021 through 2023

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
15POVC-21-GG-00584-ASSI	9/16/2021	10/01/2020	9/30/2024	$2,830,097
15POVC-22-GG-00776-ASSI	8/25/2022	10/01/2021	9/30/2025	$3,751,160
15POVC-23-GG-00453-ASSI	8/23/2023	10/01/2022	9/30/2026	$3,560,590
Total:				**$10,141,847**

Note: Grant funds are available for the fiscal year of the award plus three additional fiscal years.

Source: OJP JustGrants

Established by the Victims of Crime Act (VOCA) of 1984, CVF supports crime victims through DOJ programs and state and local victim services.[1] The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress (the cap).

Beginning in FY 2015, Congress significantly raised the cap on CVF disbursements from prior years, which increased funding for victim assistance grants from $456 million in 2014 to a high of $3 billion in 2018. Since 2018, the cap has decreased along with deposits into CVF, with the most recent cap set at $1.9 billion for FY 2026. The OVC allocates the annual victim assistance program awards based on the amount available for victim assistance each year and the states' populations.

VOCA victim assistance grant funds support the provision of direct services—such as crisis intervention, assistance filing restraining orders, counseling in crises arising from the occurrence of crime, and emergency shelter—to victims of crime. The OVC distributes these assistance grants to states and

[1] The VOCA victim assistance formula program is funded under 34 U.S.C. § 20103.

territories, which in turn fund subawards to public and private nonprofit organizations that directly provide the services to victims. Eligible services are efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security.

The Grantee

As the North Dakota state administering agency, the North Dakota DOCR is responsible for administering the VOCA victim assistance program. According to its website, the mission of the North Dakota DOCR is to transform lives, influence change, and strengthen the community by awarding grants to help sustain victim service agencies that provide direct services to victims by covering a portion of personnel and operational expenses.

OIG Audit Approach

The objective of the audit was to evaluate how the North Dakota DOCR designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA victim assistance program guidelines and Final Rule (VOCA Guidelines); 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant North Dakota DOCR policies and procedures and interviewed North Dakota DOCR personnel to determine how they administered the CVF funds. We interviewed North Dakota DOCR personnel and further obtained and reviewed North Dakota DOCR records reflecting grant activity.

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

Audit Results

Grant Program Planning and Execution

The main purpose of the VOCA victim assistance grants is to support crime victim services. The North Dakota DOCR, which is the primary recipient of victim assistance grants at the state level in North Dakota, must distribute the majority of the funding to organizations that provide direct services to victims. As the SAA, the North Dakota DOCR has the discretion to select subrecipients from among eligible organizations, although the VOCA Guidelines require SAAs give priority to victims of sexual assault, domestic abuse, and child abuse. SAAs must also make funding available for previously underserved populations of violent crime victims.[2] SAAs must allocate at least 10 percent of available funding to victim populations in each of these victim categories and generally have the discretion in determining the amount of funds each subrecipient receives.

We reviewed the North Dakota DOCR's victim assistance funding allocation plan, subaward selection, communication of VOCA requirements, and compliance with priority funding and reporting requirements. No issues were identified in any of these areas.

Subaward Allocation Plan

According to the VOCA Guidelines, SAAs are encouraged to develop a funding strategy that considers the unmet needs and demographic profile of crime victims. While the North Dakota DOCR has not conducted a formal needs assessment, it relies on the North Dakota Crime Victims Services Board (Board) input and an internally developed formula to assess state needs.

The formula, created by the North Dakota DOCR with Board input, has evolved over time. Prior to September 2025, awards were calculated based on 80 percent of the previous award and the population of the subrecipient's location. After September 2025, the formula incorporated performance measures weighted as follows:[3]

1. Number of victims served (50 percent).

2. Demonstrated financial need (30 percent).

3. Past program performance (20 percent).

As explained by North Dakota officials, North Dakota DOCR and the Board review applications, discuss proposed services, and approve awards based on the formula results. If unmet needs are identified, the

[2] The VOCA Guidelines state these underserved victims may include, but are not limited to, victims of federal crimes; survivors of homicide victims; or victims of assault, robbery, gang violence, hate and bias crimes, intoxicated drivers, bank robbery, economic exploitation and fraud, and elder abuse. The Guidelines also indicate that in defining underserved victim populations, states should identify gaps in available services by victims' demographic characteristics.

[3] As a result of our analysis, we make a recommendation relating to North Dakota DOCR's oversight and verification of performance information in the Performance Monitoring section.

North Dakota DOCR redistributes available funds from other awards to those still in need. In addition, applicants eligible for higher awards receive only the amounts requested. Our review of meeting minutes confirmed that Board members, including representatives from the North Dakota DOCR, tribal victim services, law enforcement, and the legislature review community demographics and victim service needs in applications to prioritize funding for programs serving victims of sexual assault, domestic violence, child abuse, and underserved populations.

Our review concluded that the North Dakota DOCR has a funding strategy to address victim needs in North Dakota. North Dakota DOCR officials explained that the application process, formula, and review of funding allocations ensure that the priority victim areas, including the underserved populations of the state, are met.

Subaward Selection Process

To assess how the North Dakota DOCR granted its subawards, we identified the steps that the North Dakota DOCR took to inform, evaluate, and select subrecipients for VOCA funding. The North Dakota DOCR posts annual funding opportunities for 1-year victim assistance awards on its website and issues public media statements. North Dakota DOCR officials review applications for eligibility, make funding recommendations, and then provide them to the Board for approval. The Board reviews applications, determines award amounts using the needs assessment formula previously discussed, and recommends final approval. Once finalized, the North Dakota DOCR notifies recipients of their awards.

As of October 2025, the North Dakota DOCR issued 99 subawards totaling $9,777,050 to 45 unique subrecipients across the three grants in our scope, including 37 subawards from 2021 award funds, 25 subawards from 2022 award funds, and 37 subawards from 2023 award funds.[4] We did not identify deficiencies with the North Dakota DOCR's subaward selection process.

Subaward Requirements

SAAs must adequately communicate VOCA requirements to their subrecipients. Our review of the North Dakota DOCR's subaward solicitations and award packages found they included VOCA-specific limitations, eligibility criteria, program areas, funding restrictions, reporting requirements, terms, and conditions. Additionally, the North Dakota DOCR conveyed applicable VOCA grant special conditions in its subaward agreements. We determined that the North Dakota DOCR adequately communicated requirements to subrecipients.

Priority Areas Funding Requirement

The VOCA Guidelines require that the North Dakota DOCR award a minimum of 10 percent of the total grant funds to programs that serve victims in each of the four following categories: (1) child abuse, (2) domestic

[4] Several of the subrecipients had more than one subaward each year, and several subrecipients were the same for each grant. Also, North Dakota DOCR officials stated that no subaward applications were denied during the audit scope.

abuse, (3) sexual assault, and (4) previously underserved. The VOCA Guidelines give each SAA the latitude for determining the method for identifying "previously underserved" crime victims.[5]

We reviewed North Dakota DOCR's allocation of VOCA subawards to assess compliance with priority area distribution requirements. The North Dakota DOCR requires subrecipients to report priority allocations in the OJP's Performance Measurement Tool (PMT), which staff verify at the start of the subaward and again during subaward closeout. Our analysis of the data confirmed that the North Dakota DOCR allocated at least 10 percent of award funds to priority areas for the three grants reviewed.

Monitoring of Subrecipients

According to the DOJ Grants Financial Guide, the purpose of subrecipient monitoring is to ensure that subrecipients: (1) use grant funds for authorized purposes; (2) comply with the federal program and grant requirements, laws, and regulations; and (3) achieve subaward performance goals. As the primary grant recipient, the North Dakota DOCR must develop policies and procedures to monitor subrecipients. To assess the adequacy of the North Dakota DOCR's monitoring of its VOCA subrecipients, we interviewed North Dakota DOCR personnel, reviewed the North Dakota DOCR monitoring procedures, and obtained records of interactions between the North Dakota DOCR and its subrecipients. We judgmentally selected a sample of 13 of the 45 unique North Dakota DOCR subrecipients made from the three awards in our scope and applied this sample to our analysis of the North Dakota DOCR's financial and performance monitoring.

While the North Dakota DOCR provided oversight of VOCA funds through reimbursement reviews, site visits, and desk reviews, we found deficiencies in tracking subrecipient matching costs, maintaining site visit and desk review documentation, and validating performance information.

Financial Monitoring

The North Dakota DOCR requires subrecipients to submit monthly reimbursement requests through its grant portal, including receipts, expense documentation, and expenditure reports classifying costs to subaward budget categories.[6] As of October 2025, the North Dakota DOCR disbursed $9.14 million in VOCA victim assistance funds to subrecipients from the three audited grants.

Subrecipient Reimbursements

To assess the North Dakota DOCR's financial controls over VOCA victim assistance grant expenditures, we reviewed 22 transactions totaling $123,373 from 13 subrecipient reimbursement requests that totaled $446,646. The transactions covered salaries and fringe benefits, contracts/consultants, supplies, training, and operating costs. No material discrepancies were identified in the sampled reimbursements, indicating

[5] Methods for identifying "previously underserved" victims may include public hearings, needs assessments, task forces, and meetings with statewide victim services agencies.

[6] These reports summarize expenses in three categories: salaries and fringe benefits, operating expenses (e.g., supplies, rent, travel, utilities), and equipment.

North Dakota DOCR generally maintained adequate monitoring procedures and activities for reviewing subrecipient expenditures.

Single Audit Requirements

Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend $1,000,000 or more in federal funds within the entity's fiscal year must have a single audit performed covering all federal funds expended that year.[7] According to the DOJ Grants Financial Guide, primary recipients are required to ensure subrecipients have single audits completed when required and, as appropriate, corrective actions on all audit findings have been implemented. Furthermore, according to the Uniform Guidance, the agency or pass-through entity responsible for oversight is required to issue a management decision on audit findings within 6 months after receipt of the single audit report by the Federal Audit Clearinghouse and ensure that the subrecipient takes appropriate and timely corrective action. We found that the North Dakota DOCR verified that its subrecipients underwent required single audits and determined that the North Dakota DOCR adequately monitored subrecipients' compliance with single audit requirements.

Subrecipient Matching Requirements

The VOCA Guidelines require that subrecipients match 20 percent of the project cost. Match contributions must come from non-federal sources and can be either cash or an in-kind match.[8] The SAA has primary responsibility for ensuring subrecipient compliance with the match requirements. The North Dakota DOCR waived all match requirements for subawards made in FY 2023 and FY 2024 due to the COVID19 pandemic but reinstated them for subawards made in FY 2025, requiring subrecipients to submit match documentation by October 30, 2025.[9] However, as of January 2026, the North Dakota DOCR had not verified match compliance, citing ongoing validation of final subrecipient reimbursement requests.

The North Dakota DOCR does not require subrecipients to report ongoing match totals in monthly reimbursement forms, limiting its ability to monitor compliance with cost-sharing requirements before

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[7] Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended. The Single Audit Act requires recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. The audit is referred to as "single" because it includes all federal financial assistance that the entity has received and expended. Under the Uniform Guidance, such entities that expend $1,000,000 or more in federal funds within the entity's fiscal year must have a single audit performed annually covering all federal funds expended that year. Prior to October 1, 2024, the threshold for single audit requirements was $750,000.

[8] In-kind match contributions may include donations of expendable equipment, office supplies, workshop or classroom materials, workspace, or the value of time contributed by those providing integral services to the funded project.

[9] On July 22, 2021, the VOCA Fix was signed into law, allowing SAAs to waive matching requirements for subgrantees during national emergencies to ease financial burdens on victim assistance programs. In September 2021, the OVC issued an *Updated Match Waiver Approval Process* bulletin, mandating SAAs issue waivers for any matching requirement, in its entirety, for all eligible crime victim assistance programs from the declaration of a national emergency under the National Emergencies Act (50 U.S.C. § 1601 et seq.) until one year after the date of the end of such national emergency. The U.S. Department of Health and Human Services ended the federal COVID-19 public health emergency in May 2023.

award closeout. The DOJ Grants Financial Guide requires recipients to maintain records that clearly demonstrate the amount, source, and timing of contributed funds. We noted at the start of our audit that the North Dakota DOCR policy required subrecipients to provide documentation supporting match contributions only at subaward closeout. While the policy was updated in early 2026 to clarify match requirements—stating that match funding must come from allowable non-federal sources, apply to project-related costs within the project period, and exclude unallowable costs—it did not address the need for ongoing reporting of match totals.

Without accurate and timely reporting of match contributions, the North Dakota DOCR cannot effectively monitor subrecipient compliance with cost-sharing requirements as outlined in the DOJ Grants Financial Guide. Also, the North Dakota DOCR's gap in monitoring policies during the award period risks delays in subaward closeout and potential discrepancies from late identification of improper match practices. We recommend OJP require the North Dakota DOCR to develop and implement a control for monitoring and oversight of subrecipient match requirements throughout the subaward period.

Performance Monitoring

The North Dakota DOCR monitored performance through site visits and desk reviews. The VOCA Guidelines state that SAAs shall conduct regular desk monitoring of all subrecipients. In addition, it states that SAAs shall conduct on-site monitoring of all subrecipients at least once every 2 years, unless a different frequency based on risk assessment is set out in the monitoring plan. We found that the North Dakota DOCR's policies mandate site visits for all subrecipients at least once every 4 years, with high-risk subrecipients receiving visits once every 2 years. To this end, the North Dakota DOCR conducts 10 to 12 site visits annually, supplemented by remote desk reviews. The frequency of monitoring is based on subrecipient risk assessments, which consider factors such as award amount, grant experience, financial compliance, data management, reporting, and staff turnover. Subrecipients are assigned a risk score (low, medium, or high), which the North Dakota DOCR tracks along with monitoring schedules in a spreadsheet. We noted that the North Dakota DOCR's monitoring frequency was generally within the North Dakota DOCR's policies and procedures. Table 2 outlines monitoring activities from FY 2020 to FY 2024.

Table 2

North Dakota DOCR Monitoring Activities by Fiscal Year

Fiscal Year	Site Visits Conducted	Desk Reviews Conducted	Number of Subawards	Percentage of Subawards Monitored
2020	10	3	46	28%
2021	10	5	42	36%
2022	13	5	47	38%
2023	10	4	45	31%
2024	13	3	43	37%

Source: North Dakota DOCR

North Dakota DOCR site visits and desk reviews validate PMT information and assess subrecipient policies like lobbying, debarment, and equal employment opportunity. Our review of 13 subrecipients monitored between FY 2020 and FY 2024 identified inconsistent documentation of compliance reviews and resolution of findings. These reviews also did not document the verification of reported performance data. While North Dakota DOCR policies outline documentation requirements, they lack detailed guidance on conducting and documenting performance data verification, compliance reviews, and the remedy of monitoring discrepancies. According to the DOJ Grants Financial Guide, monitoring activities should provide reasonable assurance that the subrecipients administer pass-through funding in compliance with the laws, regulations, and award provisions while achieving performance goals. Without consistent documentation and verification, the North Dakota DOCR cannot provide reasonable assurance that subrecipients are adequately monitored or that performance data is accurate. We recommend OJP collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.

Annual Performance Reports

For the victim assistance grants, states must report the number of agencies funded, VOCA subawards, victims served, and victim services funded by these grants. States must collect, maintain, and provide the OVC data that measures the performance and effectiveness of activities funded by the award. Each SAA must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The OVC requires states to submit performance data quarterly through PMT. Although states may provide subrecipients with direct access to the system to report quarterly data, states must approve the data entered.

The North Dakota DOCR submitted annual performance reports to the OVC for FY 2021 through FY 2025, relying on subrecipients to enter quarterly performance data into PMT. According to the North Dakota DOCR, it provides training, reporting deadlines, and guidance, and its review process involves verifying data to approved subaward work plans and prior quarters for abnormalities. Further, once all quarterly reports are reviewed, the North Dakota DOCR compiles annual PMT data, compares it to prior years to identify outliers, and submits it to JustGrants.

To evaluate the North Dakota DOCR's programmatic reporting controls, we reviewed a judgmental sample of 30 performance measures from our 13 sampled subrecipients and compared these quarterly PMT performance report items to the previous quarter's information and the previous years' information. We found no documented comparisons or reviews beyond approval screenshots, and supporting documentation was limited to internal summary reports, one of which was inaccurate. Additionally, site visit and desk review documentation lacked sufficient detail to support the North Dakota DOCR's review of performance data. For example, in one site visit checklist, North Dakota DOCR officials noted inadequate PMT documentation without explanations, and the supporting documentation for two of the sampled reports found that the North Dakota DOCR relied on subrecipient internal summary reports, one of which was found to be inaccurate.

Overall, we found the North Dakota DOCR's review process lacked adequate documentation in its review of PMT information, raising concerns about the reliability of reported performance data North Dakota used for PMT reports and its formula to calculate subrecipient awards. In the previous section of this report, we recommended OJP collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data; therefore, we make no additional recommendation here.

Subaward Reporting

States must submit a Subgrant Award Report (SAR) to the OVC via PMT for each subrecipient of VOCA victim assistance funds within 90 days of awarding funds to subrecipients. Any changes or revisions to the awards that occur before the end of the project period must be made in the SAR within 30 days of the change taking effect. The SAR allows the OVC to collect basic information from states on subrecipients and the program activities to be implemented with VOCA funds.

For each of the North Dakota DOCR's awards, we reconciled the most recent SAR data to data maintained by the North Dakota DOCR. As of October 2025, we found 18 instances where SAR data on subrecipient award amounts did not match the North Dakota DOCR's records due to delayed updates in PMT after award changes. We believe this issue stems from the North Dakota DOCR's lack of policies for updating SAR data when post-award modifications are made. North Dakota DOCR officials confirmed that data is verified at the start of subawards but not at the end. Accurate and timely SAR reporting is essential for the OVC to effectively monitor and oversee VOCA-funded activities. We recommend OJP require the North Dakota DOCR to develop and implement a control to ensure SAR data is updated promptly after award changes.

Grant Financial Management

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of the North Dakota DOCR's financial management of the VOCA grants, we reviewed the process the North Dakota DOCR used to administer these funds by examining expenditures charged to the grants, drawdown requests, and financial reports. To further evaluate the North Dakota DOCR's financial management of the VOCA grants, we also reviewed the state of North Dakota's Single Audit Reports for FYs 2023 to 2024, and we did not find significant deficiencies or material weaknesses specifically related to the North Dakota DOCR. We also interviewed North Dakota DOCR personnel who were responsible for financial aspects of the grants, reviewed North Dakota DOCR written policies and procedures, inspected award documents, and reviewed financial records.

Our assessment of North Dakota DOCR's grant financial management found no significant discrepancies in administrative expenditures, drawdowns, or financial reporting.

Administrative Expenditures

SAA victim assistance expenses fall into two overarching categories: (1) reimbursements to subrecipients—which constitute the vast majority of total expenses, and (2) administrative expenses—which are allowed to total up to 5 percent of each award to pay for administering its crime victim assistance program and for training.

We tested the North Dakota DOCR's compliance with the 5 percent cap on administrative expenses by comparing the cumulative administrative expenditures for each award to the total grant award value. We found no deficiencies and that the North Dakota DOCR had adequate procedures to ensure administrative costs did not exceed the 5-percent threshold. Additionally, we reviewed 21 administrative cost transactions totaling $91,375, including salaries, fringe benefits, software improvements, travel, and outreach materials, and found the costs to be allowable, reasonable, and properly supported.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and the grantee should time drawdown requests to ensure that the federal cash on hand is the minimum needed for reimbursements or disbursements made immediately or within 10 days. To assess whether the North Dakota DOCR managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the North Dakota DOCR's accounting system and accompanying financial records.

For the VOCA victim assistance awards, the North Dakota DOCR explained that it requests quarterly drawdowns based on compiled subrecipient monthly reports. The North Dakota DOCR then works with the North Dakota State Treasury to reimburse its subrecipients and requests the same amount from OJP. As of September 2025, the North Dakota DOCR drew down $8,262,027 across three grants: $2,830,097 from 2021 funds, $3,600,765 from 2022 funds, and $1,831,165 from 2023 funds. We did not identify significant deficiencies related to the North Dakota DOCR's process for developing drawdown requests.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures, program income, and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. As of October 2025, we reviewed Federal Financial Reports from the three grants and found that quarterly and cumulative expenditures matched the North Dakota DOCR's accounting records.

Conclusion and Recommendations

Our audit found that the North Dakota DOCR effectively used its FYs 2021 through 2023 grants to distribute VOCA funding to subrecipients providing direct services to crime victims in North Dakota. The North Dakota DOCR generally complied with program requirements in areas such as the subaward allocation plan, selection process, communication of grant requirements, grant drawdowns, and financial reporting. However, areas for improvement include performance monitoring documentation, timely updates to SAR reporting, consistent site visit analysis and resolution documentation, and monitoring of subrecipient matching cost requirements. These gaps raise concerns about the reliability of reported data and the effectiveness of oversight mechanisms. We provide three recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Require the North Dakota DOCR to develop and implement a control for monitoring and oversight of subrecipient match requirements throughout the subaward period.

2. Collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.

3. Collaborate with the North Dakota DOCR to establish policies ensuring timely and accurate SAR updates after award changes.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of the audit was to evaluate how the North Dakota Department of Corrections and Rehabilitation (North Dakota DOCR) designed and implemented its crime victim assistance program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, (3) grant financial management, and (4) monitoring of subrecipients.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of Victims of Crime Act (VOCA) victim assistance formula grants 15POVC-21-GG-00584-ASSI, 15POVC-22-GG-00776-ASSI, and 15POVC-23-GG-00453-ASSI from the Crime Victims Fund awarded to the North Dakota DOCR. The Office of Justice Programs (OJP), Office for Victims of Crime awarded these grants totaling $10,141,847 to the North Dakota DOCR, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 2020 through September 2025. As of September 2025, the North Dakota DOCR had drawn down a total of $8,262,027 from the three audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the North Dakota DOCR's activities related to the audited grants, which included conducting interviews with state of North Dakota staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, progress reports, subrecipient monitoring and oversight, and subrecipient reimbursements. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation; the VOCA victim assistance program guidelines; the DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from DOJ's JustGrants System and OJP's Performance Measurement Tool, as well as the North Dakota DOCR accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documents from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of the North Dakota DOCR to provide assurance on its internal control structure as a whole. North Dakota DOCR management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on the North Dakota DOCR's internal control structure as a whole, we offer this statement solely for the information and use of the North Dakota DOCR and OJP.[10]

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of the North Dakota DOCR's policies and procedures, including the implementation and operating effectiveness of specific controls over subaward execution and compliance with applicable laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

[10] This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: North Dakota Department of Correction and Rehabilitation's Response to the Draft Report[11]

NORTH
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Be Legendary.

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Denver, CO 80203

Dear Ms. Rice,

On behalf of the North Dakota Department of Corrections and Rehabilitation (ND DOCR), I am writing a response to our Audit Recommendations and a thank you for everyone at the US Department of Justice and the efforts shown to help the DOCR become an expert in acting as the SAA for federal grants. In particular responding to the Draft Audit Report, for The North Dakota Department of Corrections and Rehabilitation (Recommendations).

We are committed to achieving the highest standard in grant management within the DOCR, we acknowledge the importance of the recommendations provided in the Draft Audit Report.

The ND DOCR recognizes the significance of continuous learning and development as a means to evolve and better serve the citizens of North Dakota.

These recommendations will be part of a continued process as our communities change and we evolve as a leading State Administering Agency. We are confident that the implementation of these recommendations will strengthen our grant activities and ultimately enhance the services we provide to the community. We understand the importance of accountability and transparency, and we are committed to upholding the highest standards in our operations.

Our responses are contained in the additional pages that follow. If you have any additional questions or require further information, please do not hesitate to contact me directly at chedden@nd.gov or 701-328-6872. We look forward to your reply in addressing the recommendations.

Thank you for your attention to this matter.

Charlie Hedden
Digitally signed by Charlie Hedden
Date: 2026.07.06 11:39:09 -05'00'

Charlie Hedden
Interim Chief Financial Officer
ND Department of Corrections and Rehabilitation

[11] Attachments referenced within this response are not included in this final report.

NORTH Dakota | Corrections and Rehabilitation
Be Legendary.

2026 AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM ASSISTANCE GRANTS AWARDED TO THE NORTH DAKOTA DEPARTMENT OF CORRECTIONS AND REHABILITATION, BISMARCK, NORTH DAKOTA

Recommendations and DOCR Responses:

Recommendation 1. Require the North Dakota DOCR to develop and implement a control for monitoring and oversight of subrecipient match requirements throughout the subaward period.

DOCR Response 1: Agree

The agency will develop and implement a standardized tracking tool to oversee and document subrecipient match requirements throughout the subaward period.

Recommendation 2. Collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.

DOCR Response 2: Disagree

The agency already conducts robust performance evaluations, with subrecipients submitting data quarterly into the OJP PMP System. Because these metrics are thoroughly reviewed and evaluated at least quarterly through the centralized grant system, incorporating the exact same data review during on-site monitoring visits is redundant and unnecessary. See Attachment 1

Recommendation 3. Collaborate with the North Dakota DOCR to establish policies ensuring timely and accurate SAR updates after award changes.

DOCR Response 3: Agree

The agency partially agrees but notes that out of the 18 instances identified by the OIG, SAR updates were only applicable to 3 cases during the active grant period. For the remaining 15 instances, the modifications occurred at the end of the grant period for the deobligation of unspent funds, which does not require an SAR update. The DOCR will develop a policy to formalize the 3 applicable scenarios while continuing to follow established closeout procedures for end-of-grant deobligations. See Attachment 2

APPENDIX 3: Office of Justice Program's Response to the Draft Audit Report

U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, DC 20531

July 17, 2026

MEMORANDUM TO: Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

Digitally signed by LETOYA JOHNSON
Date: 2026.07.17 14:20:32 -04'00'

LeToya A. Johnson

FROM: LeToya A. Johnson, CPA
Acting Deputy Director
Audit and Review Division

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Assistance Grants Awarded to the North Dakota Department of Corrections and Rehabilitation, Bismarck, ND*

This memorandum is in reference to your correspondence, dated June 15, 2026, transmitting the above-referenced draft audit report for North Dakota Department of Corrections and Rehabilitation (North Dakota DOCR). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **three** recommendations and **no** questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP require the North Dakota DOCR to develop and implement a control for monitoring and oversight of subrecipient match requirements throughout the subaward period.**

   OJP agrees with this recommendation. We will coordinate with North Dakota DOCR to obtain documentary evidence to ensure that North Dakota DOCR implemented an appropriate internal control for monitoring and oversight of subrecipient match requirements throughout the subaward period.

1

2. **We recommend that OJP collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.**

   OJP agrees with this recommendation. We will coordinate with North Dakota DOCR to obtain documentary evidence to ensure that North Dakota DOCR updated its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.

3. **We recommend that OJP collaborate with the North Dakota DOCR to establish policies ensuring timely and accurate Subgrant Award Report (SAR) updates after award changes.**

   OJP agrees with this recommendation. We will coordinate with North Dakota DOCR to obtain a copy of its established and implemented policies and procedures to ensure that North Dakota DOCR provides timely and accurate SAR updates after award changes.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact me on (202) 353-5744.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
Office of Justice Programs

Rachel Johnson
Chief Financial Officer
Office of Justice Programs

Nathanial T. Kenser
Acting Deputy General Counsel
Office of Justice Programs

Phillip Merkle
Acting Director
Office of Communications

Louise Duhamel
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Jorge L. Sosa
Director
Office of Operations – Audit Division
Office of the Inspector General

OJP Executive Secretariat
Control Number OCOM002198

APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the North Dakota Department of Corrections and Rehabilitation (North Dakota DOCR). OJP's response is incorporated in Appendix 3 and North Dakota DOCR's response is incorporated in Appendix 2 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. North Dakota DOCR agreed with one recommendation, partially agreed with one recommendation, and disagreed with one recommendation. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

1. **Require the North Dakota DOCR to develop and implement a control for monitoring and oversight of subrecipient match requirements throughout the subaward period.**

   Resolved. OJP agreed with our recommendation and will coordinate with North Dakota DOCR to obtain evidence that North Dakota DOCR implemented an internal control to monitor subrecipient match requirements throughout the subaward period. As a result, this recommendation is resolved.

   North Dakota DOCR agreed with our recommendation and will implement a standardized tracking tool to oversee and document subrecipient match requirements throughout the subaward period.

   This recommendation can be closed upon receipt of documentation showing that North Dakota DOCR has implemented a control to monitor subrecipient match requirements throughout the subaward period.

2. **Collaborate with the North Dakota DOCR to refine its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.**

   Resolved. OJP agreed with our recommendation and will coordinate with North Dakota DOCR to obtain evidence that North Dakota DOCR updated its policies and procedures for consistent monitoring, documentation, and evaluation of performance data. As a result, this recommendation is resolved.

   North Dakota DOCR disagreed with our recommendation, stating that it already conducts robust quarterly evaluations using the OJP Performance Measurement Tool (PMT) system and that repeating the same review during on-site monitoring visits would be redundant. However, as discussed in the report, our review of 30 performance measures from 13 subrecipients found no documented comparisons or reviews beyond approval screenshots, and supporting documentation was limited to internal summary reports, one of which was inaccurate. Site visit and desk review records also lacked sufficient detail. Because North Dakota DOCR did not maintain adequate documentation, it could not demonstrate that subrecipient PMT data were validated or that related validation procedures, best practices, or potential performance issues were documented.

This recommendation can be closed upon receipt of documentation showing that North Dakota DOCR has refined its policies and procedures for consistent monitoring, documentation, and evaluation of performance data.

3. **Collaborate with the North Dakota DOCR to establish policies ensuring timely and accurate Subgrant Award Reporting (SAR) updates after award changes.**

Resolved. OJP agreed with our recommendation and will coordinate with North Dakota DOCR to obtain its policies and procedures ensuring timely and accurate SAR updates after award changes. As a result, this recommendation is resolved.

North Dakota DOCR partially agreed with our recommendation, stating that 3 of the 18 instances occurred during the award period and the remaining 15 occurred at the end of the grant period for deobligation of unspent funds, which it believes did not require SAR updates.

As noted in our report, the SAR allows OVC to collect basic information from states on subrecipients and planned VOCA-funded activities. Changes to awards that occur before the end of the project period must be reflected in the SAR within 30 days to ensure OVC has current information on subrecipients and program activities. As stated in its response, North Dakota DOCR deobligates unspent funds at the end of the grant period. This is a “change or revision to the award” and should be reflected in an updated SAR.

This recommendation can be closed upon receipt of documentation showing that North Dakota DOCR has established policies ensuring timely and accurate SAR updates after award changes.