

**DEPARTMENT OF LEGAL AFFAIRS**

Victim Services  
Prior Audit Follow-Up



Sherrill F. Norman, CPA  
Auditor General

## **Attorney General**

The Department of Legal Affairs is established by Section 20.11, Florida Statutes, and the head of the Department is the Attorney General. Article IV, Section 4, of the State Constitution provides for an Attorney General as part of the Cabinet, who shall be the State's chief legal officer. The Honorable Pam Bondi served as Attorney General during the period of our audit.

The team leader was Robin Ralston, CPA, and the audit was supervised by Jane Flowers, CPA.

Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at [janeflowers@aud.state.fl.us](mailto:janeflowers@aud.state.fl.us) or by telephone at (850) 412-2757.

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# DEPARTMENT OF LEGAL AFFAIRS

## Victim Services Prior Audit Follow-Up

### SUMMARY

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This operational audit of the Department of Legal Affairs (Department) focused on evaluating actions taken by the Department to correct deficiencies noted in our report No. 2013-123 related to victim services, legal service rates, and other administrative matters. The audit also included an evaluation of the Department's administration of settlements. Our audit disclosed the following:

#### Victim Services

**Finding 1:** As similarly noted in our report No. 2013-123, the information necessary for processing crime victims' applications for compensation was not always complete or accurate.

**Finding 2:** Department procedures did not always ensure that on-site monitoring reports and supporting documentation were timely reviewed and approved. A similar finding was noted in our report No. 2013-123.

### BACKGROUND

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State law<sup>1</sup> specifies that the Department of Legal Affairs (Department) is responsible for providing all legal services required by State agencies, unless otherwise provided by law. The Department's other statutory responsibilities include enforcing State consumer protection, antitrust, and civil rights laws, prosecuting criminal racketeering, operating the State's Medicaid Fraud Control Unit, and administering programs to assist victims of crime.

To carry out its responsibilities, the Department operates through various program units, including Criminal and Civil Litigation, Victim Services, Executive Direction and Support Services, and Office of Statewide Prosecution. Table 1 summarizes the 2014-15 fiscal year appropriations and approved positions for these program units.

**Table 1**  
**Selected Program Unit Appropriations and Approved Positions**  
**For the 2014-15 Fiscal Year**

| Program Unit                             | Appropriations              | Positions             |
|--|-----------------------------|-----------------------|
| Criminal and Civil Litigation            | \$ 94,373,707               | 993                   |
| Victim Services                          | 87,875,885                  | 103                   |
| Executive Direction and Support Services | 14,053,678                  | 135                   |
| Office of Statewide Prosecution          | 6,991,130                   | 67.5                  |
| <b>Totals</b>                            | <b><u>\$203,294,400</u></b> | <b><u>1,298.5</u></b> |

Source: Chapter 2014-51, Laws of Florida, General Appropriations Act.

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<sup>1</sup> Section 16.015, Florida Statutes.

## FINDINGS AND RECOMMENDATIONS

### VICTIM SERVICES

The 1984 Federal Victims of Crime Act (VOCA) established the Crime Victims Fund to provide Federal funding for victim services nationwide.<sup>2</sup> The Department, Division of Victim Services and Criminal Justice Programs (Division), functions as the State's designated agency for administering VOCA victim compensation and advocacy grants. In this capacity, the Division provides compensation payments to eligible victims of crime and subgrants for advocacy services to public and nonprofit organizations throughout the State's 20 judicial circuits. The Division is organized into three Bureaus: Victim Compensation, Advocacy and Grants Management, and Criminal Justice Programs. State and Federally funded victim compensation and advocacy expenditures for the 2013-14 and 2014-15 fiscal years are shown in Table 2.

**Table 2**  
**Victim Compensation and**  
**Victim Advocacy Expenditures**

|                                   | 2013-14<br>Fiscal Year     | 2014-15<br>Fiscal Year     |
|-----------------------------------|----------------------------|----------------------------|
| <b><i>Victim Compensation</i></b> |                            |                            |
| Federal                           | \$ 5,935,000               | \$ 3,872,000               |
| State                             | 14,644,736                 | 15,116,741                 |
| <b><i>Victim Advocacy</i></b>     |                            |                            |
| Federal                           | 23,089,702                 | 23,568,422                 |
| State                             | 1,558,250                  | 1,576,947                  |
| <b>Total Expenditures</b>         | <b><u>\$45,227,688</u></b> | <b><u>\$44,134,110</u></b> |

Source: Florida Accounting Information Resource Subsystem (FLAIR).

### Finding 1: Victim Compensation Claims Information

State law<sup>3</sup> establishes that aid, care, and support is to be provided by the State to innocent persons who suffer personal harm or financial hardship as a result of criminal acts. To ensure that awards are provided only to eligible crime victims, the State has enacted laws and rules specifying eligibility and documentation requirements for each applicant seeking an award.<sup>4</sup> The Division, Bureau of Victim Compensation (BVC), was responsible for administering the State's crime victim compensation program and had established procedures<sup>5</sup> to process crime victim applications for awards and to determine eligibility.

<sup>2</sup> Title 42, Sections 10601, 10602 and 10603, United States Code.

<sup>3</sup> Section 960.02, Florida Statutes.

<sup>4</sup> Sections 960.01 through 960.28, Florida Statutes, and Department Rules, Chapters 2A-2 and 2A-3, Florida Administrative Code.

<sup>5</sup> Division *Victim Compensation Internal Training Manual*.

The BVC was to track all award eligibility determinations in Victim Assistance Net (VAN) and retain corresponding supporting documentation in the Search Index Retrieval Exchange (SIRE), the BVC's electronic imaging system. VAN, the BVC's victim compensation claims tracking database, is the official record and permanent file for all claim activity and all pertinent information is to be documented in VAN to support eligibility and awards determinations. BVC procedures specified that claims information was to be reviewed for accuracy by comparing the documents submitted by applicants to the information entered into VAN and that data entry errors were to be corrected.

In our report No. 2013-123 (finding No. 2), we noted that Department procedures did not always ensure appropriate data or documentation was obtained to support victim compensation eligibility determinations. During the period July 2013 through February 2015, the Department administered 26,926 domestic violence, sexual battery, and other crime victim compensation claims, including 16,718 claims with related payments totaling approximately \$18.9 million. As part of our follow-up procedures, we examined BVC records for 25 victim compensation claims, 17 of which had payments ranging from \$250 to \$7,425 and totaling \$29,007. Our examination disclosed that, for 7 of the 25 claims, including 4 claims with payments totaling \$9,675, claims information was not always available in VAN or did not agree with the applicable supporting documentation. Specifically, we noted that:

- All pertinent information for 2 claims was not available in VAN. The information not available included the date the police report was received by the BVC and the name and title of the applicable law enforcement officer.
- Information entered into VAN for 5 claims did not agree with the applicable supporting documentation. The information that differed from the supporting documentation included the date of the crime, date the crime was reported, police report number, county name, and date the application was determined sufficient. For one of these claims, the date the police report was received by the BVC was not available in VAN.

In response to our audit inquiry, Department management indicated that enhanced training may be needed to address errors in the handling of victim compensation claims records. Absent accurate and complete claims records in VAN, the Department's ability to demonstrate that eligibility determinations and awards are appropriate is reduced.

**Recommendation: We recommend that Department management provide additional training to BVC staff to ensure that VAN claims information is complete and agrees with applicable supporting documentation.**

## **Finding 2: Subrecipient Monitoring**

The Division, Bureau of Advocacy and Grants Management (BAGM), is responsible for administering the VOCA assistance grant program, which offers funding to local community providers that respond to the needs of crime victims. The BAGM awards subgrants to eligible applicants, including county government entities, nonprofit organizations, and the BAGM in some cases. For the 2013-14 fiscal year, the Department awarded subgrants totaling \$23,502,150 to 243 victims' assistance service providers.

To ensure compliance with VOCA guidelines and internal procedures, the BAGM required regular monitoring, including annual on-site monitoring visits, of all subrecipients. On-site monitoring visits were

conducted by BAGM staff, regional victim advocates,<sup>6</sup> or a contracted monitor.<sup>7</sup> For the monitoring completed by BAGM staff and regional victim advocates, BAGM procedures<sup>8</sup> specified that, within 30 days of the completion of an on-site visit, the grant manager was to review the monitoring report and supporting documentation for completeness and accuracy, communicate deficiencies noted during monitoring to the subrecipient, and ensure that appropriate corrective action was taken by the subrecipient. BAGM procedures further specified that grant managers were to submit completed monitoring reports and supporting documentation to the BAGM program administrator for review and approval.

As part of the BAGM's 2013-14 fiscal year grant monitoring, BAGM grant managers and the BAGM program administrator reviewed on-site monitoring reports prepared by BAGM staff and regional victim advocates related to 156 grants totaling \$12,397,656. As part of our audit, we examined grant monitoring documentation related to the 2013-14 fiscal year on-site monitoring visits conducted by BAGM staff and regional advocates for 10 grants totaling \$827,564. As similarly noted in our report No. 2013-123 (finding No. 5), our audit procedures disclosed that improvements were needed to ensure that on-site monitoring activities and documentation are timely reviewed and approved. Specifically, we noted that:

- For three monitoring visits, the BAGM grant managers did not review the monitoring report and supporting documentation within the 30-day time frame specified by BAGM monitoring procedures. The grant manager reviews were completed 64, 71, and 74 days, respectively, after the monitoring report and supporting documentation were received.
- For two monitoring visits, the BAGM program administrator did not approve the monitoring report and supporting documentation within 30 days following the grant manager's review. The program administrator approved the monitoring reports 121 and 122 days, respectively, after the grant manager's review was completed. While BAGM monitoring procedures did not specify a time frame for program administrator approval, Department management indicated in response to our audit inquiry that 30 days was an appropriate time frame.

In response to our audit inquiry, Department management indicated that the untimely reviews and approvals were due to the high volume of work and staff vacancies.

Timely grant manager and program administrator reviews and approvals of monitoring reports and supporting documentation provides the Department greater assurance that monitoring is properly performed and subrecipient noncompliance, if any, appropriately corrected.

**Recommendation:** We recommend that Department management ensure that VOCA annual victim assistance grant program monitoring reports and supporting documentation are timely reviewed and approved.

## ***PRIOR AUDIT FOLLOW-UP***

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Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report No. 2013-123.

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<sup>6</sup> Victim advocate positions were funded primarily through VOCA subgrants and some positions were located in Department regional offices.

<sup>7</sup> Florida Coalition Against Domestic Violence.

<sup>8</sup> *Office of the Attorney General, Bureau of Advocacy and Grants Management Victims of Crime Act (VOCA) Monitoring Instructions and Documents.*

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2015 through October 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Legal Affairs (Department) focused on the administration of settlements and evaluating actions taken by the Department to correct deficiencies noted in our report No. 2013-123. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and guidelines.
- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To determine whether management had corrected, or was in the process of correcting, all applicable deficiencies disclosed in our report No. 2013-123 related to victim services, legal service rates, and other administrative matters.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable governing laws, rules, or contracts, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings

and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit we:

- Reviewed applicable laws and other guidelines to gain an understanding of the Department's administration of settlements.
- Performed inquiries and inspected documents and records to determine whether Department management had adequately designed and implemented controls, including policies and procedures, for the administration of settlements.
- From the population of 20 distributions, totaling \$334,073,974, made from the direct payment received by the State as part of the Joint State-Federal National Mortgage Servicing Settlements (Mortgage Servicing Settlements), examined documentation related to 10 distributions, totaling \$169,817,895, made to State entities to determine whether the distributions were made in accordance with the terms of the Mortgage Servicing Settlements, applicable State laws and rules, and Department procedures.
- Examined documentation and performed inquiries of Department management related to 25 settlements (15 executed by the Division of Consumer Protection, 3 by the Antitrust Division, 2 by the Office of Civil Rights, and 5 by the Medicaid Fraud Control Unit), totaling \$2,724,662,214, from the population of 218 settlements, totaling \$3,081,629,029, executed by the Department during the period July 2013 through February 2015, to determine whether the Department administered the settlements and the related revenues received and expenditures made in accordance with the settlement terms, Department policy, and State laws and rules.
- Examined Department training records for the 72 Department employees identified as involved in prosecuting 25 cases (15 by the Division of Consumer Protection, 3 by the Antitrust Division, 2 by the Office of Civil Rights, and 5 by the Medicaid Fraud Control Unit) settled during the period July 2013 through February 2015, and the 5 Joint State-Federal National Mortgage Servicing Settlements settled in April 2012, to determine whether the employees completed annual mandatory training as required during the period January 2013 through October 2015.
- Reconciled Departmental Florida Accounting Information Resource Subsystem (FLAIR) records to Department program records for settlements executed during the period July 2013 through February 2015 to determine whether distributions for the 218 settlements, totaling \$3,081,629,029, materially agreed with Departmental FLAIR records.
- Evaluated Department actions taken to correct the findings noted in our report No. 2013-123. Specifically, we:
  - Reviewed applicable laws, rules, regulations, and Department policies and procedures, and interviewed Department personnel to obtain an understanding of the Division of Victim Services and the operations of the Bureaus of Victim Compensation and Advocacy and Grants Management.

- Examined documentation for one of the two Victim Compensation Annual Performance Reports issued during the period July 2013 through February 2015 to determine whether the report was mathematically accurate and the report information was appropriately supported.
- From the population of 26,926 Victim Assistance Net (VAN) database records of domestic violence, sexual battery, and other crime victim compensation claims, including 16,718 claims with related payments totaling approximately \$18.9 million during the period July 2013 through February 2015, examined records related to 25 claims, including 17 claims with payments totaling \$29,007, to determine whether claim applications were appropriately completed and claim information was accurately entered in VAN and agreed with the applicable supporting documentation.
- Examined documentation related to 1 of the 15 Victim Compensation Claims Quality Assurance Reviews (QARs) completed by the Bureau of Victim Compensation (BVC) during the period July 2013 through February 2015 to determine whether the final monitoring report was appropriately and timely prepared and reviewed.
- Examined documentation related to the 15 BVC QARs completed during the period July 2013 through February 2015 to determine whether the QARs were completed within 90 days as specified by Department procedures.
- Reviewed Department policies and procedures for the allocation of Federal Victims of Crime Act (VOCA) funds, interviewed Department personnel, and examined documentation related to the Department's VOCA grant funding allocation for the period July 2013 through February 2015 to determine whether the allocation methodology was consistent with VOCA requirements and appropriately documented.
- Examined documentation related to the Department's contract with the Florida Coalition Against Domestic Violence (FCADV) for VOCA monitoring services for the period July 2014 through June 2015 to determine whether the Department appropriately documented the basis for determining the FCADV's status as either a subrecipient or a vendor (contractor).
- From the population of 154 monitoring reports prepared by the FCADV during the 2013-14 and 2014-15 fiscal years, examined 2 reports to determine whether the reports appropriately addressed VOCA-specific monitoring criteria.
- Examined the FCADV 2014-15 fiscal year monitoring agreement and related documentation to determine whether the agreement included provisions that prohibited duplicate funding for any position, service, or deliverable funded by the Department and whether the Department had established adequate procedures to prevent duplicate funding.
- From the population of 156 grants, totaling \$12,397,656, monitored during the 2013-14 fiscal year by Bureau of Advocacy and Grants Management staff or regional victim advocates, examined documentation related to on-site monitoring visits for 10 grants, totaling \$827,564, to determine whether the monitoring reports were timely completed and reviewed and whether appropriate follow-up activities were performed.
- Examined documentation related to the Department's legal services billing rates established for the 2014-15 and 2015-16 fiscal years and analyzed related FLAIR data for the Legal Services Trust Fund to determine whether the Department annually calculated and evaluated the rates to ensure that the amounts charged to State agency clients were consistent with the costs of the services rendered.
- Examined documentation related to user access and authentication controls for Department information technology (IT) systems to determine whether the Department had established controls that were adequately designed to reasonably ensure security over Department IT resources.

- Examined Department records and performed inquiries of Department management to evaluate Department compliance with applicable statutory requirements for collecting and utilizing individuals' social security numbers.
- Examined Department records and performed inquiries of Department management to determine whether the Department had established effective policies and procedures related to periodic reconciliations of FLAIR accounts receivable records to Department accounts receivable records.
- Interviewed Department personnel, examined Department records, and reviewed Department policies and procedures related to Office of Statewide Prosecution cash receipt processes, accounts receivable write-offs, and reconciliation of program accounts receivable records to FLAIR records and Department of Corrections (DOC) accounting records to determine whether the Department had established policies and procedures that were adequately designed to reasonably ensure that an appropriate separation of duties was maintained.
- Examined Department accounts receivable financial reporting records, interviewed Department personnel, and analyzed Department accounts receivable balances to determine whether the Department ensured that lawful measures available to the Department were timely employed in the collection of amounts due to the State, and that accounts receivable related to payments remitted through the clerks of court and the DOC were appropriately reported in the Department's financial records.
- Reviewed Chapter 207, Laws of Florida, to determine the changes made regarding requirements for the transfer of funds from the Legal Affairs Revolving Trust Fund (Trust Fund) to the General Revenue Fund and analyzed the Trust Fund's 2012-2013 fiscal year ending balance to determine whether the Department administered the Trust Fund in accordance with statutory requirements.
- Obtained an understanding of Department imaging systems through inquiry of Department management, review of policies and procedures, and examination of selected documentation to determine whether the Department had established controls that were adequately designed to reasonably ensure the accuracy, completeness, legibility, and accessibility of documents included in the imaging systems.
- Reviewed applicable laws, rules, and other State guidelines to obtain an understanding of the legal framework governing Department operations.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
  - Cash management and the administration of Florida Single Audit Act requirements.
  - The acquisition, assignment, and use of wireless devices with related costs totaling \$143,529 during the period July 2013 through February 2015.
  - The administration of Department purchasing cards in accordance with applicable State guidelines. As of February 4, 2015, the Department had 180 active purchasing cards and during the period July 1, 2013, through February 5, 2015, Department purchasing card charges totaled \$3,815,429.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## ***AUTHORITY***

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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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## STATE OF FLORIDA

PAM BONDI  
ATTORNEY GENERAL

August 19, 2016

Ms. Sherrill Norman, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Enclosed is the audit response to your preliminary and tentative audit findings and recommendations from the Department of Legal Affairs Victim Services Prior Audit Follow-Up Report.

**Recommendation 1: We recommend that Department management provide additional training to BVC staff to ensure that VAN claims information is complete and agrees with applicable supporting documentation.**

Department of Legal Affairs Audit Response:

All pertinent information for 2 claims had not been entered into VAN. The information not entered included the date the police report was received by the BVC and the name and title of the applicable law enforcement officer. VAN fields used to provide at-a-glance crime information on screen were blank. The department previously explained coding requires completion of those fields before a determination is made. The missing data entry is evident that a technical glitch removed the data that had been entered which was not caused by or at the fault of department staff.

· Information entered into VAN for 5 claims did not agree with the applicable supporting documentation. The information that differed from the supporting documentation included the date of the crime, date the crime was reported, police report number, county name, and date the application was determined sufficient.

*PL-01, The Capitol, Tallahassee, Florida 32399-1050, Telephone (850) 414-3300 Fax (850) 487-2564*

The department has counseled the analysts responsible for data entering incorrect information, and will continue to provide training to all staff which emphasizes the importance of accurate data entry.

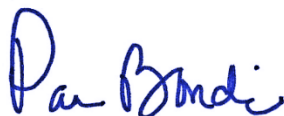
**Recommendation 2: We recommend that Department management ensure that VOCA annual victim assistance grant program monitoring reports and supporting documentation are timely reviewed and approved.**

Department of Legal Affairs Audit Response:

Bureau management continues to face challenges due to the high volume of work and staff vacancies. As of July 1, 2016, the Bureau has been approved to hire 11 new FTEs, and as a result a monitoring unit has been created. We are in the process of filling these positions. The plan is to have grant managers located throughout the state who will conduct site visits. Grant managers will be provided with laptops in order to prepare the reports and answer any necessary questions during the on-site visit. In addition, the online grant management system will allow the subgrantees to upload required documentation prior to the visit. Once the unit is fully staffed, we anticipate a more timely conclusion to the monitoring process.

If you have any questions, please call Judy Goodman at (850) 414-3456.

Sincerely,

A handwritten signature in blue ink that reads "Pam Bondi". The signature is written in a cursive, flowing style.

Pam Bondi  
Attorney General