



Office of the Inspector General
U.S. Department of Justice



**Audit of the Office on Violence
Against Women Grant
Awarded to
Shelter from the Storm,
Incorporated
Island City, Oregon**

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANT AWARDED TO SHELTER FROM THE STORM, INCORPORATED ISLAND CITY, OREGON

EXECUTIVE SUMMARY*

The U.S. Department of Justice Office of the Inspector General has completed an audit of a grant awarded by the Office on Violence Against Women (OVW) to Shelter From the Storm, Incorporated (SFS) located in Island City, Oregon. The SFS was awarded \$747,262 under grant number 2013-WR-AX-0030 to: (1) have designated personnel working to increase victim safety and hold abusers accountable for their crimes; (2) provide support to assist victims' healing and recovery following an incident of sexual assault, domestic violence, dating violence, and stalking; (3) enhance the ability of rural victims to access advocacy services and resources; and (4) allow victims to access professionals trained specifically in areas of sexual assault, domestic violence, dating violence, and stalking. As of July 7, 2016, the SFS had expended \$660,921 (88 percent) of the total grant funds awarded.

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, Federal Financial Reports (FFR), budget management and control, drawdowns, expenditures, and program performance.

As a result of our audit, we found that the SFS did not comply with essential award requirements in four of the six areas we tested and generally complied with requirements related to program performance and budget management. We noted weaknesses in the internal control environment, grant expenditures, contractor oversight, and reporting, including non-compliance with award requirements. Specifically, the SFS could not adequately support \$284,785 in expenditures for contractual services provided by a dedicated counselor, law enforcement detective, and county probation officer. The SFS also paid \$18,107 in unallowable contractual services for the counseling sessions, which included: (1) \$4,511 in probation officer contractor costs above the agreed upon cost of 50 percent; (2) \$7,076 in counselor contractor costs above the agreed upon hourly rate of \$29 per hour; and (3) \$6,520 in counselor contractor costs for charges when victims did not show up or cancelled their appointments. We found \$24,149 in salary and associated fringe benefit expenditures that were not adequately supported by timesheets showing the amount of time worked on grant-related activities. Furthermore, the SFS grant-related expenditures included \$21,311 for personnel that had not been approved in the budget. In addition, we questioned \$2,549 in inadequately

* Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the grantee's response, and are of individuals' names.

supported non-personnel direct costs related to insurance, travel and training, office supplies, and printing expenses. We also questioned \$1,085 in employer funded health insurance premiums that were inadequately supported with receipts, invoices, and other documents. Although the SFS was making progress in achieving its grant goals and objectives, the SFS did not accurately report the number of victim served on its Progress Reports. The SFS failed to submit accurate Progress Reports for three semiannual periods. Finally, we found that the SFS drew down advances on six occasions and did not use those funds within 10 days as required by the grant. Lastly, eight FFRs that we tested were inaccurate.

These items are discussed in detail in the report. Our report questions a total of \$351,986 and contains 11 recommendations to OVW. We discussed the results of our audit with SFS officials and have included their comments in the report, as applicable. Our audit objective, scope, and methodology are discussed in Appendix 1. Our Schedule of Dollar-Related Findings is located in Appendix 2. In addition, we requested written responses from SFS and OVW to the draft copy of our audit report. We received those responses and they are found in Appendices 3 and 4, respectively. Our analysis of those responses and the summary of actions necessary to close the recommendations are found in Appendix 5.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANT
AWARDED TO SHELTER FROM THE STORM, INCORPORATED
ISLAND CITY, OREGON**

TABLE OF CONTENTS

Shelter from the Storm.....	1
OIG Audit Approach	1
Program Performance and Accomplishments.....	2
Program Goals and Objectives	2
Required Performance Reports.....	3
Compliance with Special Conditions	4
Grant Financial Management	5
Single Audit	5
Financial Management System.....	6
Grant Expenditures	6
Non-Personnel Costs	6
Personnel Costs	7
Monitoring of Sub-Recipients and Contractors	8
Detective and Probation Officers	9
Contracted Counselor	9
Budget Management	10
Drawdowns.....	10
Federal Financial Reports	12
Conclusion	13
Recommendations	13
APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY	15
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS	17

APPENDIX 3: SHELTER FROM THE STORM RESPONSE TO THE DRAFT AUDIT REPORT.....	18
APPENDIX 4: OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT.....	22
APPENDIX 5: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT.....	25

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANT AWARDED TO SHELTER FROM THE STORM, INCORPORATED ISLAND CITY, OREGON

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) has completed an audit of a grant awarded by the Office on Violence Against Women (OVW) under the Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program to Shelter From the Storm, Incorporated (SFS) located in Island City, Oregon. Specifically, the SFS was awarded grant 2013-WR-AX-0030 totaling \$747,262, as shown in Table 1. As of July 7, 2016, the SFS had expended \$660,921 (88 percent) of the total grant funds awarded.

Table 1
OVW Grant Awarded to Shelter from the Storm

Grant Award Number	Award Date	Award Start Date	Award End Date^a	Award Amount
2013-WR-AX-0030	09/19/13	10/01/13	12/31/16	\$ 747,262

^a The Award End Date includes all time extensions that were approved by OVW.

Source: OVW

Funding through the Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program supports enhanced victim safety in cases of sexual assault, domestic violence, dating violence, and stalking in rural areas and rural communities by encouraging collaborative partnerships among criminal justice agencies, victim service providers, and community organizations to respond to these crimes. In addition, the program supports the provision of services to the victims of such violence, and encourages communities to work in coordination to develop education and prevention strategies directed toward these issues.

Shelter from the Storm

Located 172 miles northwest of Boise, Idaho, the SFS is a 501(c) not-for-profit corporation started in 1979 as a domestic violence and sexual assault crisis center located in Island City, Oregon. The SFS's mission is to break the cycle of domestic and sexual abuse in their community through intervention, individual advocacy, and awareness. To accomplish its mission, it offers services such as a 24-hour crisis hotline, a 14-bed emergency shelter, a transitional housing program, transportation, counseling, and more.

OIG Audit Approach

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. To accomplish this

objective, we assessed performance in the following areas of grant management: financial management, Federal Financial Reports (FFR), budget management and control, drawdowns, expenditures, and program performance.

We tested the SFS's compliance with what we consider to be the most important conditions of the grant award. Unless otherwise stated in our report, the criteria we audited against are contained in the OVW Financial Grants Management Guide, Code of Federal Regulations, Office of Management and Budget Circulars, and the grant award documents.

The results of our audit are discussed in detail below. We discussed the results of our audit with SFS officials and have included their comments in the report, as applicable. Our report contains 11 recommendations to OVW. Appendix 1 contains additional information on this audit's objective, scope, and methodology. Our Schedule of Dollar-Related Findings is located in Appendix 2. In addition, we requested written responses from SFS and OVW to the draft copy of our audit report. We received those responses and they are found in Appendices 3 and 4, respectively. Our analysis of those responses and the summary of actions necessary to close the recommendations are found in Appendix 5.

Program Performance and Accomplishments

In order to determine whether the SFS demonstrated adequate progress towards achieving its grant program goals and objectives, we: (1) reviewed required performance reports, grant solicitation, and grant documentation; (2) interviewed SFS officials; and (3) analyzed supporting documentation. In addition, we reviewed the accuracy of the Progress Reports that the SFS submitted to OVW. Finally, we reviewed the SFS's compliance with the special conditions identified in the grant award documentation.

Program Goals and Objectives

According to OVW's grant solicitation, the primary purpose of the grant was to identify, assess, and respond to victims of sexual assault, domestic violence, dating violence, and stalking in rural areas by encouraging collaboration among victim service providers (law enforcement agencies, prosecutors, courts, other criminal justice service entities, and health care entities), who provide services for victims of sexual assault, domestic violence, dating violence, and stalking. To achieve this purpose, the SFS included in its grant application the following specific grant goals and objectives: (1) have designated personnel working to increase victim safety and hold abusers accountable for their crimes; (2) provide support to assist victims' healing and recovery following an incident of sexual assault, domestic violence and stalking; (3) enhance the ability of rural victims to access advocacy services and resources; and (4) allow victims to access professionals trained specifically in areas of sexual assault, domestic violence, dating violence and stalking.

We reviewed relevant documentation to determine if the SFS was on track to meeting all four goals and objectives. For its first goal, we found that the SFS designated personnel to work on increasing the safety of victims and hold abusers accountable for their crimes. Specifically, the SFS entered into an agreement with the La Grande Police Department (LGPD) and County of Union Probation Office (CUPO). The LGPD agreed to provide one full-time detective who was designated to spend all of his time working on domestic violence cases, serving restraining orders, and responding to domestic violence calls among other duties. In addition, the CUPO agreed to provide a part-time probation officer to meet with domestic violence abusers who were on probation. We interviewed the Detective and the Probation Officer as well as observed the patrol car that was purchased with grant funds for the Detective's use. Overall, the SFS made progress in accomplishing the first grant goal.

For its second goal, we found that the SFS provided counseling sessions, advocacy services, crisis intervention, emotional support, safety planning, and referrals to victims of sexual assault, domestic violence, and stalking. To meet its third goal of enhancing the ability of rural victims to access advocacy services and resources, the SFS purchased a van and utilized it to provide transportation for victims. The SFS's more specific goal was to provide transportation services for victims in at least 300 instances. As of April 2016, the SFS had provided transportation services to victims in at least 122 instances. It appeared to us during our fieldwork that the SFS was making an effort toward achieving its third goal.

For the final goal of allowing victims to access specially trained professionals, as of April 2016, the SFS completed a total of 1,059 counseling sessions. The SFS's more specific goal was to complete 1,800 counseling sessions. It appeared to us during our fieldwork that the SFS was making progress toward achieving this particular goal.

Required Performance Reports

According to the OVW Financial Grants Management Guide, the SFS was required to ensure that valid and auditable source documentation was maintained and made available to support all data collected for each performance measure specified in the program solicitation. In order to test the accuracy of the performance measurement information in the SFS's Progress Reports, we judgmentally selected one performance measure (the number of clients served) from the three judgmentally selected Progress Reports, which we believe was the most important statistic. We then traced this reported statistic to supporting documentation maintained by the SFS.

We found that the Progress Reports for periods ending December 31, 2014, June 30, 2015, and December 31, 2015, did not accurately reflect the number of clients (victims) served by the SFS. The SFS's process for gathering this performance metric began with each victim completing an intake form. Information

provided on those forms was then entered into a database called Alice that was specifically designed to support the SFS's reporting needs. The statistics included on each Progress Report were obtained from both the data in Alice and from statistical information provided by the grant-funded Union County probation officer, who reported the number of victims he referred to the SFS. The SFS provided to us statistical data from Alice for each reporting period along with intake forms to support some of the entries made in Alice. However, the SFS was unable to provide supporting documentation (intake forms) for two of the three reporting periods (ending December 31, 2014, and June 30, 2015) we tested because of its document-retention practices, in which it shredded all intake forms after 3 months. The practice of destroying underlying support for grant reports is contrary to grant rules that require all grant documentation be maintained for a minimum of 3 years after the submission of the final expenditure report. We compared the statistics included in the Alice report for each of the three reporting periods against the statistics included in the Progress Reports that the SFS submitted into the Office of Justice Programs' (OJP) Grant Management System (GMS). As shown in Table 2, we found three performance measurement values that were overstated and thereby inaccurate.

Table 2
Accuracy of the SFS's Progress Reports
OVW Grant 2013-WR-AX-0030

Progress Report Period Ending Date	Number of Clients Served According to Alice Report	Number of Clients Served Reported on Progress Report	Difference
12/31/14	53	55	2
06/30/15	71	79	8
12/31/15	78	101	23

Source: OIG analysis of OVW data and the SFS's records

In our review of the Progress Report for the period ending December 31, 2015, we examined supporting documentation for the corresponding data in Alice and determined that the SFS's Executive Director had counted victims more than once or included secondary victims in her count. In doing so, she made an error in counting the number of clients served. For the two earlier Progress Reports, we were only able to compare the data in Alice to the numeric information included in the Progress Reports because as mentioned above, the SFS failed to maintain supporting documents such as intake forms. We recommend that OVW ensure that the SFS prepares and submits accurate Progress Reports and maintains sufficient documentation to support grant-related accomplishments.

Compliance with Special Conditions

Special conditions are contractual terms and conditions that are included with the grant award. We evaluated the special conditions for the grant and selected a judgmental sample of two requirements (Special Condition numbers 22 and 25)

that were significant to grant performance and that were not addressed in another section of this report.

Special Condition number 22 required the SFS to collect and maintain data that measured the effectiveness of its grant-funded activities. This requirement included that the SFS maintain intake forms that supported the metric on the number of victims that the SFS served. As we previously discussed in the Required Performance Reports section of this report, the SFS failed to maintain all of the intake forms that victims prepared upon receiving service or assistance from the SFS. Instead, the SFS destroyed through shredding all intake forms after 3 months. Therefore, the SFS failed to comply with Special Condition number 22. As a result, we recommend that OVW ensure that the SFS establishes a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.

Special Condition number 25 required the SFS to attend and participate in OVW-sponsored technical assistance, which may include, but is not limited to, national and regional conferences, audio conferences, webinars, peer-to-peer consultations, and workshops conducted by OVW-designated technical assistance providers. We found that SFS employees attended and participated in OVW-sponsored technical assistance. Therefore, the SFS complied with Special Condition number 25.

Grant Financial Management

According to the OVW Grants Financial Management Guide, all grant recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess the SFS's financial management of the grant covered by this audit, we reviewed the SFS's policies and procedures and financial management system to assess its risk of noncompliance with laws, regulations, guidelines, and terms and conditions of the grant. We also interviewed the SFS's Executive Director regarding internal controls and processes related to payroll, purchasing, and accounts payable functions. Finally, we performed testing in the areas that were relevant for the financial management of this grant.

Single Audit

According to Office of Management and Budget Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a Single Audit conducted. We reviewed the SFS's accounting records and determined that it did not expend \$500,000 or more in federal awards. Therefore, a Single Audit was not required and according to the SFS's Executive Director, the SFS has not had a Single Audit performed.

Financial Management System

The OVW Financial Grants Management Guide requires that all grant fund recipients “. . . establish and maintain accounting systems and financial records to accurately account for funds awarded to them.” This requirement includes maintaining adequate financial data to record and report on the receipt, obligation, and expenditure of grant funds. Furthermore, the guide stipulates that grantees must account for each award separately and may not commingle grant funds.

During the grant period, the SFS utilized an accounting system called Sage Works before transitioning to QuickBooks. The SFS's former Fiscal Manager performed the SFS's bookkeeping until her resignation in February 2015. Afterwards, the SFS contracted with a local CPA firm for bookkeeping services and to convert the SFS's accounting records to QuickBooks. Based on our review of grant-related transactions that were recorded in both Sage Works and QuickBooks, we generally found that the systems accurately accounted for grant-related receipts and expenditures. Further, we found that grant-related transactions (i.e., receipts and expenditures) were separately tracked from all other funding. However, as we discuss in the Grant Expenditures section of this report, we found instances where the SFS failed to maintain adequate support for expenditures and lacked written policies and procedures. We regard these findings as internal control weaknesses.

Grant Expenditures

As of July 7, 2016, the SFS had expended \$660,921 (88 percent) of the total grant award. The expenditures were comprised of personnel, contractor, travel, training, equipment, supplies, and other costs. We judgmentally selected a sample of 41 non-personnel transactions totaling \$70,533 in order to determine if costs charged to the grant were allowable, properly authorized, adequately supported, and in compliance with grant terms and conditions. The expenditures we selected included equipment, travel, supplies, and other expenditures. We reviewed supporting documentation including invoices, receipts, and check copies. Additionally, for our personnel testing, we judgmentally selected two non-consecutive payroll periods in order to test salary and fringe benefits expenses. For these expenditures, we reviewed payroll reports, timesheets, and other supporting documentation. We discuss below each of these tests and our results.

Non-Personnel Costs

As mentioned above, we judgmentally selected 41 non-personnel transactions and reviewed these expenditures to determine if costs charged to the grants were accurate, adequately supported, allowable, reasonable, and allocable. According to the OVW Financial Grants Management Guide, “to be allowable under the Federal awards, costs must . . . be adequately documented.” Of our sample, 31 transactions were adequately supported, allowable, reasonable, and allocable. The remaining 9 transactions totaling \$2,549 related to insurance, travel and training, office supplies, and printing that were inadequately supported due to missing

receipts, unsupported methodology for the allocation of expenditures to the grant, or used for unknown purposes. Additionally, we found a \$110 transaction related to medical expense that was misallocated to the wrong grant. Given the low-dollar threshold of this misallocation, we did not question the \$110. As a result, we questioned the \$2,549 in inadequately supported non-personnel expenditures and recommend that OVW remedy this amount.¹

Personnel Costs

We tested the grant-related personnel expenditures to determine if these expenditures were allowable, reasonable, and adequately supported. Specifically, we selected a judgmental sample of two non-consecutive pay periods from each accounting system, which included salary and fringe benefit expenditures for the months of July 2014, January 2015, August 2015, and October 2015. In total, we tested \$21,825 in salary expenses for those months and \$5,220 in fringe benefit expenditures for those months plus September 2015. As part of our personnel expenditure testing, we reviewed supporting documentation, such as time and attendance records, to determine whether the: (1) positions paid with grant funds appeared reasonable with the stated intent of the program, (2) salaries of the employees paid with grant funds were within a reasonable range, and (3) salary and fringe benefit expenditures were adequately supported.

We obtained a list of employees paid using grant funds and compared this list with the positions included in the OVW-approved grant budget. The SFS funded a total of five positions with grant funds, of which two were included in the approved budget and one was subsequently approved by OVW after the grant began. The remaining two positions, Executive Director and Advocate, were not approved by OVW when we conducted our fieldwork. As a result, we questioned \$21,311 in salary and associated fringe benefits for both of the unapproved grant-funded positions.

We compared the salaries paid for the three grant-funded positions approved by OVW with salaries paid in the area near the SFS for similar positions. We found that the salaries that the SFS paid were reasonable.

According to 2 C.F.R. § 230, “[t]he reports must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards. . . . The reports must be prepared at least monthly and must coincide with one or more pay periods.” In our review of the SFS’s timesheets and payroll records, we found that the timesheets and records did not break down work performed by project. The timesheets recorded the time in, time out, and total

¹ The Inspector General Act of 1978, as amended, contains our reporting requirements for questioned costs. However, not all findings are dollar-related. See Appendix 2 for a breakdown of our dollar-related findings and the definitions of questioned costs.

hours worked for each employee; however, the timesheets did not separate time worked on each project. Without a breakdown by project, the SFS lacked adequate support that could allow us to verify that the amount spent on personnel costs were in fact grant-related. Therefore, we questioned \$24,149 in inadequately supported personnel costs for the five positions that were paid from the grant.

In addition, in our review of fringe benefits, the SFS could not provide us with support (receipts, invoices, and other documents) for some of the health insurance premiums and as such, we could not determine if those fringe benefits were reasonable, computed correctly, or properly charged to the grant. Thus, we questioned a total of \$1,085 in fringe benefit costs that were inadequately supported.

As a result of our personnel cost testing, we questioned a total of \$21,311 in unallowable personnel costs and a total of \$25,234 in inadequately supported personnel costs as described above. We also made recommendations to OVW to remedy these questioned costs.

Monitoring of Sub-Recipients and Contractors

The SFS entered into an agreement with: (1) the LGPD to provide a full-time detective for dedicated policing services in domestic violence cases, (2) the County of Union Probation Office (CUPO) to provide a part-time probation officer to follow up on sex offenders, and (3) a counselor to provide counseling to victims. In December 2014, the contract counselor terminated her agreement and involvement with the SFS and instead the SFS, with OVW's approval, hired a counselor to provide counseling services.

The SFS did not have written policy or procedures for monitoring contractors or for procuring contractual services. Based on what we were able to determine, the former Executive Director selected the contractors for the grant and awarded the contracts. The SFS's current Executive Director did not have any information on the process that was utilized by the former Executive Director to select the contractors mentioned above or to award the grant-related contracts. We reviewed the Memorandum of Understanding that the SFS entered into with the LGPD and CUPO and we did not take issue with the selection of these organizations as contractors because these entities provided a unique service and were the only providers of those services in La Grande, Oregon. However, we take exception with the SFS's failure to maintain documentation on how it selected and awarded the contract to the counselor because without that type of documentation, it was unclear whether the contract counselor was properly selected. The OVW Financial Grants Management Guide stated, "direct recipients should ensure that monitoring of organizations under contract to them is performed in a manner that will ensure compliance with their overall financial management requirements." We recommend OVW ensure that the SFS creates written policies or procedures for proper contractor oversight as well as procurement and that it maintain all contract related documentation.

Detective and Probation Officers

The SFS used grant funds to fund a full-time detective at the LGPD to respond, investigate, and follow up on all sexual assault, domestic violence, dating violence, and stalking incidences that are reported to the LGPD. In addition, the SFS used grant funds to pay for a part-time CUPO probation officer to monitor and ensure abusers are meeting court ordered sentencing requirements, as well as immediate sanctions for non-compliance with any sentencing provisions.

In our judgmental sample, we reviewed 16 transactions (8 LGPD and 8 CUPO invoices), totaling \$284,785, that were related to the Detective's and Probation Officer's agreed to services. We found that the SFS paid these invoices without requiring support for the hours worked. Without supporting documentation (timesheets, semi-annual certifications, etc.), the SFS was unable to confirm and document how much time the Detective spent on grant-related activity. In an interview with the Detective, he stated that besides working on domestic violence cases, he also worked on criminal cases that were not related to domestic violence. Likewise, the SFS did not have timesheets to support the Probation Officer's invoices to ensure that he spent at least 50 percent of his time on grant-related activity. We found that the SFS paid more than 50 percent of the Probation Officer's salary on five occasions; the overage totaled \$4,511. We asked the SFS's Executive Director why the SFS paid both LGPD and CUPO invoices without reviewing the Detective's and Probation Officer's timesheets. The SFS Executive Director stated she continued the same process established by the previous Executive Director and Fiscal Manager, which did not include the review or maintenance of timesheets for LGPD and CUPO personnel. Based on our findings, we questioned all of the LGPD and CUPO transactions, totaling \$284,785, as inadequately supported costs and \$4,511 in overpayments to the CUPO as unallowable.

Contracted Counselor

The SFS also utilized grant funds to pay a dedicated counselor for victim services. We reviewed 13 transactions, totaling \$31,750, related to the contract counselor. According to the contract, the SFS agreed to pay the counselor \$29 per hour for counseling services. However, we found that the SFS paid the contractor more than 800 times at \$40 per hour (\$11 more than the agreed upon rate) for a total overage of \$7,076. We asked if there were any amendments to the contract between the SFS and the counselor. The SFS did not have any amendments to the contract to approve the increase in rate to \$40 per hour. We asked the SFS Executive Director why the contract counselor was paid more than the stated contract rate of \$29. The SFS Executive Director stated the approved budget included a counselor for 1,800 sessions at a billable rate of \$40 per hour. Even though the approved budget allowed \$40 per hour, the contract that the SFS awarded and that the counselor agreed to was for \$29 per hour. Therefore, we questioned \$7,076 in counselor payments as unallowable payment more than what was allowed under the counselor contract.

In addition to the SFS overpaying the counselor, the SFS also paid the counselor \$6,520 for 163 cancelled and no-show counseling sessions. According to the contract, the SFS should have paid only for completed work; the contract had no provision for the counselor to be paid for no-shows or cancelled sessions. We asked the SFS Executive Director why the SFS paid for cancellations and no-shows. The SFS Executive Director stated that the former Executive Director and former Fiscal Manager handled those payments and she continued with the process that was previously established. Because payments for cancellations and no-shows are not allowed, we questioned \$6,520 in payments to the contract counselor for cancelled or no-show sessions.

Budget Management

The OVW Financial Grants Management Guide and 28 C.F.R. 70 require prior approval from the awarding agency if the movement of dollars between budget categories exceeds 10 percent of the total award amount for awards over \$100,000. Based on our review of the award package and grant solicitation, we determined that the grant exceeded the \$100,000 threshold and was subject to the 10 percent rule. Our analysis of the budget as compared to actual expenditures did not identify budget deviations that would require OVW approval.

Drawdowns

According to the OVW Financial Grants Management Guide, grant recipients should request funds based upon immediate disbursement or reimbursement needs. Specifically, recipients should time their drawdown requests to ensure that federal cash-on-hand is the minimum needed for disbursement or reimbursement to be made immediately or within 10 days. The SFS Executive Director stated that grant funds were drawn down on a reimbursement basis.

As of September 2, 2016, the SFS had drawn down a total of \$678,020. We analyzed all drawdowns from the start of the grant on October 1, 2013, through September 2, 2016, by comparing the amounts and dates of the drawdowns to the SFS's accounting records with the additional 10-day grace period. We found that the SFS drawdowns exceeded expenditures, as shown in Table 3.

Table 3
Analysis of the SFS's Drawdown History

Number of Drawdowns	Drawdown Amount	Expenditures on General Ledger	Difference	Running Total
1	\$99,856	\$104,918	\$5,062	\$5,062
2	61,825	60,185	<1,640>	3,422
3	59,249	114,096	54,848	58,269
4	57,303	7,969	<49,334>	8,935
5	57,131	47,218	<9,913>	<977>
6	56,274	54,610	<1,663>	<2,641>
7	63,138	48,679	<14,459>	<17,099>
8	54,863	64,388	9,525	<7,575>
9	63,288	54,460	<8,827>	<16,402>
10	22,262	76,795	54,533	38,131
11	82,833	43,538	<39,294>	<1,163>
Total	\$678,022	\$676,856	<\$1,163>	<\$1,163>

Note: The total amounts do not equate to the mathematical totals calculated within the table due to rounding.

Source: OVW and OIG Analysis of the SFS Accounting Records

Specifically, we found that during a 13-month period, the SFS had drawn down an average of \$8,939 more than its expenditures from February 13, 2015, to March 20, 2016. Specifically, the SFS drew down funds five times resulting in advances ranging from as little as \$977 to as much as \$17,099. By March 21, 2016, the SFS had exhausted the cash advance for the grant. Additionally, the SFS had drawn down \$1,163 more than its expenditures on July 7, 2016. By July 29, 2016, the SFS had used the cash advance for the grant. The SFS did not have written drawdown procedures. We asked SFS officials how they determined the amounts that they should draw down. The SFS Executive Director stated that drawdown amounts were based on the total quarterly expenditures reported on the FFRs. As shown below in the FFRs section of this report, the total expenditures recorded on the FFRs also did not match the SFS's total expenditures for the quarter. Thus, we found that the SFS did not time its drawdown requests to ensure that federal cash on hand is the minimum needed for disbursement to be made immediately or within 10 days. We recommend OVW ensure that the SFS creates and implements written drawdown procedures to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days.

Federal Financial Reports

According to the OVW Financial Grants Management Guide, award recipients are required to submit quarterly FFRs and report program expenditures and revenue in accordance with their accounting system. These reports describe the status of the funds. According to the OVW Financial Grants Management Guide, the FFR should contain the cumulative expenditures and unliquidated obligations incurred for the grant as well as program income and indirect costs. The expenditures and revenue recorded on an FFR should be on a cash or accrual basis in accordance with the award recipient's accounting system. As shown in Table 4 below, we reviewed the first eight FFRs submitted by the SFS and found that the expenditures included on the SFS's FFRs did not match the actual expenditures recorded in its official accounting records.

Table 4
Accuracy of the SFS's Federal Financial Reports
OVW GRANT 2013-WR-AX-0030

Report No.	Reporting Period	Expenditures Reported on FFR	Grant-Related Expenditures	Difference Between FFRs and Accounting Records
1	10/01/13 - 12/31/13	\$99,856	\$93,162	\$6,694
2	01/01/14 - 03/31/14	61,825	62,141	<316>
3	04/01/14 - 06/30/14	57,303	56,890	413
4	07/01/14 - 09/30/14	59,249	58,660	589
5	10/01/14 - 12/31/14	57,131	57,294	<163>
6	01/01/15 - 03/31/15	20,127	9,402	10,724
7	04/01/15 - 06/30/15	27,700	100,126	<72,426>
8	07/01/15 - 09/30/15	19,066	80,997	<61,931>
Total		402,257	\$518,672	<\$116,416>

Note: The total amounts do not equate to the mathematical totals calculated within the table because of rounding.

Source: OIG analysis of OVW data and the SFS's accounting records.

The SFS was unable to explain what caused the difference between expenditure amounts recorded on the FFRs and the total expenditures recorded in its accounting records. However, we were told that the financial reports were prepared by the SFS's Fiscal Manager and Executive Director, who created a spreadsheet to calculate the FFRs for each of the first eight quarters. The spreadsheet used to calculate the FFRs was not created based on the SFS's accounting system; instead it was created based on information gathered from invoices and other expense-related worksheets. We recommend that OVW ensure

that the SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting records.

Conclusion

Based on our audit, we determined that the SFS generally complied with requirements related to program performance and budget management. However, we identified internal control weaknesses related to the SFS's failure to maintain adequate support for grant expenditures and the lack of written policies and procedures. These weaknesses were related to personnel and non-personnel expenditures totaling \$312,568 that we questioned due to inadequate support. We also questioned \$39,418 in unallowable costs related to unapproved positions and contractor expenses. In addition, the SFS did not accurately submit three Progress Reports and eight FFRs, and did not comply with one special condition of the grant. As a result, we provide 11 recommendations to OVW to address the deficiencies identified during our audit.

Recommendations

We recommend that OVW:

1. Ensure that the SFS prepares and submits accurate Progress Reports and maintains sufficient documentation to support grant-related accomplishments.
2. Ensure that the SFS establish a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.
3. Remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures.
4. Remedy \$21,311 for unallowable salary and associated fringe benefits.
5. Remedy \$24,149 in inadequately supported salary and fringe benefits.
6. Remedy \$1,085 in inadequately supported fringe benefits (health insurance premiums).
7. Ensure that the SFS creates written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.
8. Remedy \$284,785 in inadequately supported LGPD and CUPO costs.

9. Remedy \$18,107 in unallowable CUPO and contractor costs:
 - a. Remedy \$4,511 in unallowable Probation Officer costs.
 - b. Remedy \$7,076 in unallowable counselor costs for payments more than the contracted rate.
 - c. Remedy \$6,520 in unallowable counselor costs payments for no-shows and cancellations of scheduled victim counseling sessions.
10. Ensure that the SFS creates and implements procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.
11. Ensure that the SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting system.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, FFRs, budget management and control, drawdowns, expenditures, monitoring of sub-recipients and contractors, and program performance.

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.

Unless otherwise specified, our audit covered, but was not limited to, activities that occurred between the start of grant 2013-WR-AX-0030 on October 1, 2013, through the start of our fieldwork on January 26, 2016. We tested compliance with what we considered to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audited against are contained in the OVW Financial Grants Management Guide, award documents, Code of Federal Regulations, and Office of Management and Budget Circulars.

In conducting our audit, we performed sample testing in six areas, which included: program performance, grant financial management, grant expenditures, monitoring of contractors, drawdowns, and financial reports. In this effort, we employed judgmental sampling design to obtain broad exposure to different facets of the grant we reviewed, such as dollar amounts or expenditure categories. We reviewed a judgmentally selected sample of transactions that were recorded in the SFS's grant-related accounting records. This included 70 expenditures related to grant 2013-WR-AX-0030. Additionally, we selected a judgmental sample of four non-consecutive payroll periods. Further, we tested three Progress Reports, eight FFRs, and eight drawdown requests.

We did not test internal controls for the SFS taken as a whole or specifically for the grant program administered by the SFS. In addition, we reviewed the timeliness and accuracy of FFRs, and Progress Reports; and evaluated the SFS's attempt to accomplish performance of grant objectives. However, we did not test the reliability of the financial management system as a whole, nor did we place reliance on computerized data or systems in determining whether the transactions we tested were allowable, supported, and in accordance with applicable laws, regulations, and guidelines. We also performed limited testing of information obtained from OJP's GMS and found no discrepancies. We thus have reasonable

confidence in the GMS data for the purposes of our audit. However, the OIG has not performed tests of the GMS system specifically, and we therefore cannot definitively attest to the reliability of GMS data.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>QUESTIONED COSTS:</u>²	<u>AMOUNT</u>	<u>PAGE</u>
<u>Unsupported Costs:</u>		
Non-personnel Direct Costs	\$2,549	7
Personnel and Associated Fringe Benefits Costs	\$24,149	8
Fringe Benefits Costs	\$1,085	8
LGPD and CUPO Costs	\$284,785	9
Total Unsupported Costs	\$312,568	
<u>Unallowable Costs:</u>		
Personnel and Associated Fringe Benefits Costs	\$21,311	7
CUPO Costs – More Than the Agreed Rate of 50 Percent	4,511	9
Contractor Costs – More Than the Agreed Rate of \$29 Per Hour	7,076	9
Contractor Costs – Charges for No-Shows and Cancellations	6,520	10
Total Unallowable Costs	\$39,418	
<u>GROSS QUESTIONED COSTS:</u>	\$351,986	
<i>Less Duplicative Costs³</i>	<\$10,239>	
NET QUESTIONED COSTS	<u>\$341,747</u>	

² **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

³ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicative amounts.

SHELTER FROM THE STORM RESPONSE TO THE DRAFT AUDIT REPORT⁴



"Working to break the cycle of
abuse in our community"

November 30, 2016

David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
90 7th Street, Suite 3-100
San Francisco, CA 94103

Dear Mr. Gaschke:

This letter is in response to the draft audit, received on November 10, 2016, of the Office on Violence Against Women Program (OVW) Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program grant number 2013-WR-AX-0030 awarded to Shelter From the Storm (SFS).

Before addressing each recommendation, I would like to take this opportunity to provide what I believe to be relevant information to the Office of the Inspector General and Office on Violence Against Women about SFS and where we are today. I think it is important to say that I was not involved in the process of, the writing of, or the incorporation of this grant. On December 16, 2014, I was asked to step in as Interim Executive Director and was immediately focused on transitioning to not only a new building, but to preserving our services and assuring staff was available to assist clients. During the first three months, our Counselor chose not to move forward with us. We were transitioning to outsourcing our financial processes, and had lost our Volunteer & Outreach Coordinator. We were all working diligently with clients. While I was doing the job of three, I was unable to really focus on the duties of Interim Executive Director. I was thoughtful with my considerations when I chose to move forward with applying for the permanent Executive Director position. Up until June 2015, when I was offered the permanent position, I didn't feel like I had the authority to make major changes that could possibly affect a new Executive Director coming in to the organization. Therefore, and for many other reasons that I will not disclose in this response, I continued with how things had always been done in the past. I did not have the opportunity to really sit down and see how things should have been done, nor was I trained on how to properly be an Executive Director. What I now know, thanks to the countless conversations and the patience of our auditors and grant monitor, is that things were not always handled properly. Since then, we have had a chance to correct and move to a more prosperous and compliant organization that continues on working to break the cycle of abuse in our community. Almost two years after taking over as Interim Executive Director, I feel confident that not only do I have the time, but the knowledge to do my job in an effective

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Hotline 541.963.9261

⁴ Enclosures referenced in this response were not included in this final report. Redactions were made only to the SFS's response of individuals' names to protect privacy.

manner. I now feel good about asking for assistance when I need it. This audit has been a blessing in disguise.

Recommendations to OVW:

1. Ensure that the SFS prepares and submits accurate Progress Reports and maintains sufficient documentation to support grant-related accomplishments.
 - **AGREE:** It had come to my attention while being interviewed by [REDACTED] that the current software (Alice) we were using to track data was duplicating services and therefore providing higher numbers that were incorrect. This problem has been remedied and the way we process the documentation is done more discreetly. We are hoping by January to develop a better process to track the actual data needed for reporting purposes. It also came to our attention that our timesheets were not accurately reflecting work performed by project and we have moved to a Time and Effort sheet that tracks descriptions of time worked based on project.
2. Ensure that the SFS establish a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.
 - **AGREE:** The insufficient documentation was my lack of knowledge and incorrect information given to me by another Executive Director. We have remedied this situation and all intake forms are kept on file and will eventually be scanned in and backed up to our server for a minimum of five years or length of time required by grant.
3. Remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures.
 - **DISAGREE:** Under the direction of our accountant, Guyer & Associates, I was told to look at what is available in all of our grants and utilize the necessary funding to disburse expenditures. Although, I understand more clearly that this advice was incorrect, I don't feel like we should pay this back since I was still on a learning curve and taking direction where I thought appropriate. Also, some of this could have originated under the direction of our former Executive Director and Fiscal Manager and I had no control over that.
4. Remedy \$21,311 for unallowable salary and associated fringe benefits.
 - **PARTIALLY DISAGREE:** My understanding from the exit teleconference with the auditors is that \$3,256 of this amount was from employee, [REDACTED] who was not included in this grant. As this was before my time, I can't substantiate this finding nor clarify why this happened, and I therefore agree with only this amount of remediation. The remaining \$18,055, in my opinion, is directly related and accounted for in the grant and this sum is the portion with which I disagree. Although my "title" was Interim Executive Director and then Executive Director, my role of the Administrative Advocacy Assistant didn't change until September 2015 and I continued to work with clients. I also took over the fiscal manager responsibilities role upon her leaving and continue to this day.

5. Remedy \$24,149 in inadequately supported salary and fringe benefits.
 - **DISAGREE:** I can't clarify how or why things were done by former Executive Directors and the Fiscal Manager prior to this audit. And although I am guilty of continuing with how things had always been handled, I can attest that as soon as I became aware of what was lacking in supported documentation for grants, I immediately reached out to our grant monitor for assistance and implemented new Time and Effort sheets for all staff. For these reasons, I do not believe we should be responsible for paying this sum back.
6. Remedy \$1,085 in inadequately supported fringe benefits (health insurance premiums).
 - **DISAGREE:** I can't attest to anything being supported correctly prior to March 1, 2015, but since Guyer & Associates took over as our accountants and under my supervision, expenditures for fringe benefits were substantiated and correctly supported. Therefore, I disagree with this amount.
7. Ensure that the SFS creates written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.
 - **AGREED:** This recommendation is something that we certainly need assistance with and will work closely with OVW should we be approved for future grants.
8. Remedy \$284,785 in inadequately supported LGPD and CUPO costs.
 - **DISAGREE:** Again, I can't attest to how things were handled by the former Executive Director and Fiscal Manager, and I blindly continued to ask for the same type of documentation, or the lack thereof that was required prior to our audit. I can attest that the money paid to these contractors was utilized specifically for the tasks they were assigned to in this grant. Once I became aware of the documentation being inadequate, I immediately made a request of the detective, probation officer, and their supervisors what I would need from them to move forward with payment. From [REDACTED], I asked for a mileage log, an invoice, and a detail-statistics sheet on a monthly basis. From [REDACTED], I requested an invoice and a detail-statistics sheet. No payment was sent out to them without those items. Although it was late into the grant cycle, I do believe it was remedied and therefore no money should be paid back.
9. Remedy \$18,107 in unallowable CUPO and contractor costs:
 - Remedy \$4,511 in unallowable Probation Officer costs.
 - **DISAGREE:** In a conversation with our auditors while they were here, I specifically remembered one of them saying that we could pay our probation officer more than 50% if we had the correct documentation. Once I started requesting the appropriate documentation, it became clear that the probation officer was spending more than 50% of his time dedicated to this grant and I expended the actual time spent.
 - Remedy \$7,076 in unallowable counselor costs for payments more than the contracted rate.

- **PARTIALLY AGREE:** Again, while I can't attest to how things were handled by the former Executive Director and Fiscal Manager, and I agree that this may be an accurate reflection of the contract we were able to find, I don't feel it quite fair to put this on the current state of SFS and our Board of Directors. The counselor did not move forward with us when we transitioned, and therefore there is not one person, employed today, who had any control over this situation.
 - Remedy \$6,520 in unallowable counselor costs payments for no-shows and cancellations of scheduled victim counseling sessions.
 - **PARTIALLY AGREE:** Again, while I can't attest to how things were handled by the former Executive Director and Fiscal Manager, and while I agree there was nothing stated in the contract we were able to find pertaining to these payments, I don't feel it quite fair to put this on the current state of SFS and our Board of Directors. The counselor did not move forward with us when we transitioned, and therefore there is not one person, employed today, who had any control over this situation.
10. Ensure that the SFS creates and implements procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.
- **AGREE:** I certainly need more training on this and will work closely with OVW should we be approved for future grants.
11. Ensure that SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting system.
- **AGREE:** I came into this position blind and had no assistance with preparing reports, including financials. I taught myself and see now that I had been filling them out incorrectly. I certainly need more training on this concern and will work closely with OVW should we be approved for future grants.

Sincerely,



Mindy Mowery
Executive Director

Enclosure

cc: [REDACTED] – Asst. Regional Audit Manager, Office of Inspector General, DOJ
cc: [REDACTED] – Audit Liaison, Office on Violence Against Women
cc: [REDACTED] – Chair, Board of Directors
cc: [REDACTED] – Vice-Chair, Board of Directors
cc: [REDACTED] – Chief of Police, La Grande Police Department
cc: [REDACTED] – Director, Union County Community Corrections
cc: [REDACTED] – Detective, La Grande Police Department
cc: [REDACTED] – Probation Officer, Union County Community Corrections

OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office on Violence Against Women

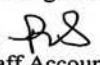
Washington, DC 20530

December 7, 2016

MEMORANDUM

TO: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office

FROM: Bea Hanson 
Principal Deputy Director
Office on Violence Against Women

Rodney Samuels 
Audit Liaison/Staff Accountant
Office on Violence Against Women

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against
Women Grant Awarded to Shelter From the Storm, Incorporated
Island City, Oregon

This memorandum is in response to your correspondence dated November 10, 2016 transmitting the above draft audit report for Shelter From the Storm, Incorporated (SFS). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 11 recommendations which include \$341,747 in net questioned costs. OVW is committed to working with the grantee to address and bring these recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

- 1. Ensure that the SFS prepares and submits accurate Progress Reports and Maintains sufficient documentation to support grant-related accomplishments unused grant funds are deobligated.**

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that they prepare and submit accurate Progress Reports and Maintains sufficient documentation to support grant-related accomplishments unused grant funds

are deobligated.

- 2. Ensure that the SFS establish a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.**

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that they establish a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.

- 3. Remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures.**

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with them to remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures.

- 4. Remedy \$21,311 for unallowable salary and associated fringe benefits.**

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with the grantee to remedy \$21,311 for unallowable salary and associated fringe benefits.

- 5. Remedy \$24,149 in inadequately supported salary and fringe benefits.**

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with the grantee to ensure that they remedy \$24,149 in inadequately supported salary and fringe benefits.

- 6. Remedy \$1,085 in inadequately supported fringe benefits (health insurance premiums).**

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with the grantee to ensure they remedy \$1,085 in inadequately supported fringe benefits (health insurance premiums).

- 7. Ensure that the SFS creates written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.**

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that they create written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.

- 8. Remedy the \$284,785 in inadequately supported LGPD and CUPO costs.**

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with the grantee to remedy the \$284,785 in inadequately supported LGPD and CUPO costs.

9. Remedy the \$18,107 in unallowable CUPO and contractor costs.

- a. Remedy \$4,511 in unallowable Probation Officer costs.
- b. Remedy \$7,076 in unallowable counselor costs for payments more than the contractor rate.
- c. Remedy \$6,520 in unallowable counselor costs payments for no-shows and cancellations of scheduled victim counseling sessions.

Even though the grantee is in disagreement with the recommendation, OVW will coordinate with the grantee remedy the \$18,107 in unallowable CUPO and contractor costs.

10. Ensure that the SFS creates and implements procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.

OVW agrees with the recommendation. We will coordinate with the grantee to ensure that they create and implement procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.

11. Ensure that the SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting systems.

OVW agrees with the recommendation. We will coordinate with the grantee to ensure that the SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting systems.

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rodney Samuels of my staff at (202) 514-9820.

cc Donna Simmons
Associate Director, Grants Financial Management Division
Office on Violence Against Women (OVW)

Louise M. Duhamel, Ph.D.
Acting Assistant Director
Audit Liaison Group
Justice Management Division

Debbie Bright
Program Manager
Office on Violence Against Women (OVW)

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The OIG provided a draft of this audit report to the SFS and OVW for their review and comment. The responses from the SFS and the OVW are incorporated in Appendix 3 and Appendix 4, respectively, of this final report. In response to our draft audit report, OVW demonstrated proposed actions to address our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

OIG Analysis of the SFS's Response

In its response, the SFS stated that the organization in December 2014 was transitioning from one manager to another and moving the organization to a new location. These changes had the new Executive Director performing multiple job functions. Therefore, the Executive Director continued to perform tasks as they had always been done and did not have time to be able to focus on what changes needed to be made to correct any errors made by previous staff or management. We understand and appreciate that the SFS and the Executive Director may have experienced difficulties during the transition, but also note that as recipients of federal funds, organizations are responsible for ensuring compliance with grant requirements throughout the award period, including periods of transition. We further note that besides providing written grant requirements in the form of its OVW Financial Grants Management Guide, OVW also provided training on federal grant regulations and requirements. For example, we note that the current Executive Director attended OVW's grantee orientation training in 2014 where grant requirements were discussed. Further, grant recipients can call their OVW grant manager to ask questions on how to properly handle grant-related transactions. We support SFS's statements in its response expressing its dedication to complying with related grant requirements in the future.

Recommendations:

- 1. Ensure that the SFS prepares and submits accurate Progress Reports and maintains sufficient documentation to support grant-related accomplishments.**

Resolved. OVW agreed with our recommendation. OVW stated in its response that it will coordinate with the SFS to ensure that the SFS will prepare and submit accurate Progress Reports and maintain sufficient documentation to support grant-related accomplishments.

The SFS concurred with our recommendation and stated in its response that the software system the SFS used to track data for victim services was duplicating the count for the number of victims that were provided services, and therefore, the system provided incorrect data. The SFS explained this problem has been remedied and the method the SFS uses to process information is done more discreetly. In January 2017, the SFS hopes to develop a better process to track the actual data needed for reporting purposes.

This recommendation can be closed when we receive evidence that the SFS's new process ensures that Progress Reports are completed accurately and that it will maintain sufficient documentation to support grant-related accomplishments.

2. Ensure that the SFS establish a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.

Resolved. OVW agreed with our recommendation. OVW stated in its response that it will coordinate with the SFS to ensure that the SFS establishes a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.

The SFS concurred with our recommendation and stated in its response that the insufficient documentation was caused by the SFS Executive Director's lack of knowledge and incorrect information provided by the previous Executive Director. The SFS explained it has remedied the situation and all intake forms are now kept on file. It will eventually scan in all intake forms and back them up to its server for a minimum of 5 years or the length of time required by the grant.

This recommendation can be closed when we receive documentation that the SFS has created a process to maintain all supporting documentation, including intake forms, for data that measures the effectiveness of its grant-funded activities.

3. Remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$2,549 in inadequately supported questioned costs relating to grant expenditures. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS did not concur with our recommendation. In its response, the SFS stated that its Executive Director followed the accountant's direction to look at all of its grants to identify available funds and utilize those funds for necessary expenditures. Additionally, the SFS stated that its Executive Director was still learning the duties of her new position and thought the directions provided by the SFS's accountant was appropriate. However, after our audit, the SFS Executive Director understood that the accountant's advice was incorrect. The SFS further stated that some of the inadequately supported questioned costs relating to grant expenditures could have originated under the direction of the previous SFS Executive Director and Fiscal Manager, which the current SFS Executive Director had no control over. Therefore, the Executive Director believes the SFS should not have to pay back \$2,549 in questioned costs.

As stated in the report, 9 transactions totaling \$2,549 related to insurance, travel and training, office supplies, and printing that were inadequately supported because the SFS used an unsupported methodology for the allocation of expenditures to the grant. These indirect cost expenditures should have been allocated to the grant by an approved indirect cost rate, or by a supported and logical methodology. As the SFS admits, it allocated expenditures to their funding streams based on availability of funds and not based on a supportable methodology. SFS admitted that this is not the proper method for handling these expenditures. In addition, the SFS stated that it does not believe it has to pay back the \$2,549 in questioned costs. We did not recommend that the SFS pay back the questioned costs, but rather that OVW remedy the questioned costs, which may include the SFS paying back funds as one of various methods to remedy questioned costs, but also includes other remedies such as offset, waiver, or the provision of supporting documentation.

This recommendation can be closed when we receive evidence OVW has remedied the \$2,549 in inadequately supported questioned costs relating to grant expenditures.

4. Remedy \$21,311 for unallowable salary and associated fringe benefits.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$21,311 for unallowable salary and associated fringe benefits. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS partially concurred with our recommendation and stated in its response that it agrees with \$3,256 in questioned costs that were disbursed by the grant under the previous SFS Executive Director. However, it

disagrees with the remaining \$18,055 in questioned costs for unallowable salary and associated fringe benefits, as these costs were directly related to the grant. The SFS stated that its Executive Director was performing more than one function in 2015 to include the position of Administrative Advocacy Assistant.

The Executive Director's and Advocate's positions were not included in the approved grant budget nor were budget modifications obtained by the SFS through Grant Adjustment Notices. Without approval from OVW, the Executive Director's and Advocate's positions were unapproved and thus, unallowable. SFS did not provide any supporting documentation to support that the Executive Director who was promoted in December 2014 was also continuing her prior full-time role as Administrative Advocacy Assistant.

This recommendation can be closed when we receive documentation that OVW has remedied the \$21,311 in unallowable salary and associated fringe benefits.

5. Remedy \$24,149 in inadequately supported salary and fringe benefits.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$24,149 in inadequately supported salary and fringe benefits. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS did not concur with our recommendation and stated in its response that it is unable to clarify how or why things were done by the previous Executive Director and the previous Fiscal Manager. The current SFS Executive Director continued how things had always been handled previously until she became aware of the lacking supporting documentation and reached out to SFS's OVW grant manager for assistance to implement new Time and Effort sheets for all staff. The SFS has implemented a Time and Effort sheet that tracks descriptions of time worked by project. Based on this information, the SFS stated that it did not believe it should pay back the amount that we questioned.

The reforms that SFS implemented to its Time and Effort sheet may help ensure appropriate personnel charges in the future, however the \$24,149 in costs questioned in this recommendation involved expenditures incurred prior to the implementation of that policy change. As a result, we do not have adequate support for these charges. The SFS's timesheets and payroll records we reviewed did not break down work performed by project. Without a breakdown by project, the SFS lacked adequate support to substantiate the amount spent on personnel costs for a particular grant as

opposed to other programs. In addition, the SFS stated that it does not believe it has to pay back the \$24,149 in questioned costs. We did not recommend that the SFS pay back the questioned costs, but rather that OVW remedy the questioned costs, which may include the SFS paying back funds as one of various methods to remedy questioned costs, but also includes other remedies such as offset, waiver, or the provision of supporting documentation.

This recommendation can be closed when we receive documentation that OVW has remedied the \$24,149 in inadequately supported salary and fringe benefits.

6. Remedy \$1,085 in inadequately supported fringe benefits (health insurance premiums).

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$1,085 in inadequately supported fringe benefits. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS did not concur with our recommendation and stated in its response that it cannot attest to the support for expenditures for fringe benefits handled by the previous Executive Director. However, since the current Executive Director took over and the SFS hired a CPA firm, she believes the fringe benefits are correctly supported.

In our review of fringe benefits, we found a transaction that did not have a logical and supportable allocation methodology for \$423 and another fringe benefit transaction that did not have supporting documentation for \$662. SFS has not provided adequate documentation for those expenditures. Despite its change in leadership, SFS was responsible for abiding by the grant terms and conditions for the entire award period.

This recommendation can be closed when we receive evidence that OVW has remedied the \$1,085 in inadequately supported fringe benefits.

7. Ensure that the SFS creates written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.

Resolved. OVW agreed with our recommendation. OVW stated in its response that it will coordinate with the grantee to ensure that they create written policies or procedures for contract monitoring and procurement as well as maintain all contract related documentation.

The SFS concurred with our recommendation and stated that it needs assistance to implement this recommendation and it will work closely with OVW should it be approved for future grants.

This recommendation can be closed when we receive documentation evidencing that the SFS has established procurement procedures for the proper monitoring of its contractors and the maintenance of all contract-related documentation to ensure compliance with federal regulations.

8. Remedy \$284,785 in inadequately supported LGPD and CUPO costs.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$284,785 in inadequately supported LGPD and CUPO costs. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS did not concur with our recommendation and stated in its response that the SFS Executive Director continued to receive insufficient documents from the LGPD and CUPO, similar to what the previous Executive Director and Fiscal Manager accepted from the LGPD and CUPO. In addition, the SFS stated that its Executive Director can attest that the money paid to LGPD and CUPO was utilized specifically for the tasks they were assigned to in this grant. Moreover, when the SFS Executive Director became aware of the inadequate documents, she requested additional documentations. Additional documentation requested from LGPD and CUPO included a mileage log, invoice, and detail statistics. As a result, the SFS stated that it believed it has remedied this recommendation and therefore it should not pay back the questioned costs.

As stated in the report, we reviewed 16 transactions (8 LGPD and 8 CUPO invoices), totaling \$284,785, that were related to the Detective's and Probation Officer's grant-related positions. We found that the SFS paid these invoices without requiring support for the hours worked. We also confirmed with both the Detective and Probation Office that they at times perform duties that are not grant-related. Without supporting documentation, the SFS was unable to confirm and document how much time the LGPD and CUPO spent on grant-related activities. The additional documentation that SFS stated it received from LGPD and CUPO was not provided to the OIG, and we do not have adequate support for these expenditures.

In addition, the SFS stated that it does not believe it has to pay back the \$284,785 in questioned costs. We did not recommend that the SFS pay back the questioned costs, but rather that OVW remedy the questioned

costs, which may include the SFS paying back funds as one of various methods to remedy questioned costs.

This recommendation can be closed when we receive documentation that OVW has remedied \$284,785 in inadequately supported LGPD and CUPO costs.

9. Remedy \$18,107 in unallowable CUPO and contractor costs:

a. Remedy \$4,511 in unallowable Probation Officer costs.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$18,107 in unallowable CUPO and contractor costs. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS did not concur with our recommendation and stated in its response that its Executive Director followed the accountant's direction that SFS could be reimbursed for more than 50 percent of the CUPO Probation Officer's salary with appropriate supporting documentation. The SFS reviewed appropriate documentation to justify the expenditures for the Probation Officer costs. After its review, the SFS determined it expended the correct amount for the Probation Officer.

As stated in the report, we found that the SFS paid more than 50 percent of the Probation Officer's salary on five occasions; the overage totaled \$4,511. The SFS was only approved in the grant budget to reimburse the CUPO for 50 percent of the Probation Officer's salary and the SFS did not have sufficient supporting documentation for these expenditures. The SFS has not provided us with additional documentation or explained the additional costs.

This recommendation can be closed when we receive documentation that OVW has remedied \$4,511 in unallowable Probation Officer costs.

b. Remedy \$7,076 in unallowable counselor costs for payments more than the contracted rate.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$18,107 in unallowable CUPO and contractor costs. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS partially concurred with our recommendation and stated in its response that the contractor that had filled the counselor's position did not move with the SFS when it relocated. The SFS further stated it believes this is not fair to the current state of the SFS and its Board of Directors for it to be responsible for the questioned costs or what occurred with these costs. The SFS stated that no one employed today had any control over these questioned costs.

As stated in the report, the SFS paid the contracted counselor a rate of \$40 per hour, which is \$11 more than the signed contract amount of \$29 per hour, more than 800 times for a total of \$7,076. Further, the SFS agreed to comply with the terms and conditions of the OVW grant when it accepted the grant award. Despite its change in leadership, SFS was responsible for abiding by the grant terms and conditions for the entire award period.

This recommendation can be closed when we receive documentation that OVW has remedied \$7,076 in unallowable counselor costs for payments in excess of the contracted rate.

c. Remedy \$6,520 in unallowable counselor costs payments for no-shows and cancellations of scheduled victim counseling sessions.

Resolved. In its response, OVW did not state specifically whether it agreed with the recommendation. However, OVW stated that it will coordinate with the SFS to remedy \$18,107 in unallowable CUPO and contractor costs. We determined that OVW's proposed actions will advance the resolution of the recommendation. As a result, we consider this recommendation resolved.

The SFS partially concurred with our recommendation and stated in its response that the contractor who had filled the counselor's position did not move with the SFS when it relocated and that no one employed within the SFS today had any control over these questioned costs. The SFS further stated that it feels this is not fair to the current state of the SFS and its Board of Directors for it to be responsible for the questioned costs or what occurred with these costs.

As stated in the report, the SFS paid the contracted counselor \$6,520 for 163 cancelled and no-show counseling sessions. According to the contract, the SFS should have paid only for completed work; the contract had no provision for the counselor to be paid for no-shows or cancelled sessions. Further, just because previous employees of the SFS may not have complied with the terms and conditions of the OVW grant, it does not absolve the SFS as an organization and grantee from being responsible for the associated questioned costs. The SFS agreed to comply with the terms and conditions of the OVW grant when it

accepted the grant award. Despite its change in leadership, SFS was responsible for abiding by the grant terms and conditions for the entire award period.

This recommendation can be closed when we receive documentation that OVW has remedied \$6,520 in unallowable counselor costs for payments for no-shows and cancellations of scheduled victim counseling sessions.

10. Ensure that the SFS to creates and implements procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.

Resolved. OVW agreed with our recommendation. OVW stated in its response that it will coordinate with the SFS to ensure that they create and implement procedures to ensure that federal cash on hand is the minimum needed for disbursements made immediately or within 10 days.

The SFS concurred with our recommendation and stated in its response that the SFS needs more training in this particular area and that it will work closely with OVW should it be approved for future grants.

This recommendation can be closed when we receive documentation of the SFS policy changes that ensure that the SFS keeps federal cash on hand to a minimum needed in accordance with federal regulations.

11. Ensure that the SFS establishes procedures to make sure that its FFRs are accurate and in accordance with its accounting system.

Resolved. OVW agreed with our recommendation. OVW stated in its response that it will coordinate with the SFS to ensure that they establish procedures to make sure that its FFRs are accurate and in accordance with its accounting system.

The SFS concurred with our recommendation and stated in its response that the SFS need more training on this concern and will work closely with OVW should it be approved for future grants.

This recommendation can be closed when we receive documentation that the SFS has made policy changes to ensure that its FFRs are accurate and in accordance with its accounting system.



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