



**AUDIT OF THE OFFICE ON VIOLENCE AGAINST
WOMEN AND OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO THE IDAHO SUPREME COURT
BOISE, IDAHO**

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

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September 2012

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EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of four grants totaling \$3,079,633 awarded by the Office on Violence Against Women (OVW) and the Office of Justice Programs (OJP) to the Idaho Supreme Court (ISC), as shown in Exhibit 1.

EXHIBIT 1: GRANTS AWARDED TO THE ISC

GRANTING AGENCY	AWARD No.	AWARD DATE	PROJECT END DATE	AMOUNT
OVW	2005-WE-AX-0135	09/26/05	02/29/12	\$ 2,579,633
OJP	2009-DC-BX-0086	09/10/09	08/31/12	200,000
OJP	2009-MO-BX-0044	09/16/09	03/31/13	250,000
OJP	2010-MO-BX-0046	09/16/10	06/30/12	50,000
TOTAL:				\$3,079,633

Source: OJP's Grant Management System

Background

Created in 1995, the OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The OVW's stated mission is to provide federal leadership in developing the nation's capacity to reduce violence against women, and administer justice for and strengthen services to victims. Currently, the OVW administers 3 formula-based and 18 discretionary grant programs, established under the *Violence Against Women Act (VAWA)* and subsequent legislation.

The OJP works to provide innovative leadership to federal, state, local, and tribal justice systems by disseminating state-of-the art knowledge and practices across America, and by providing grants for the implementation of these crime fighting strategies. OJP does not directly carry out law enforcement and justice activities; rather, OJP works in partnership with the justice community to identify the most pressing crime-related challenges

confronting the justice system and to provide information, training, coordination, and innovative strategies and approaches for addressing these challenges.

This audit covers one OVW grant and three OJP grants awarded to the ISC. As the third branch of the Idaho State Government, the Judicial Branch strives to provide access to justice through the timely, fair, and impartial resolution of cases. The ISC is the state's court of last resort. The ISC hears appeals from final decisions of the district courts, as well as from orders of the Public Utilities Commission and the Industrial Commission. It has original jurisdiction to hear claims against the state and to issue writs of review, mandamus, prohibition, and habeas corpus, and all writs necessary for complete exercise of its appellate jurisdiction. The ISC may also review decisions of the Court of Appeals upon petition of the parties or its own motion.¹

Grant No. 2005-WE-AX-0135 was awarded to the ISC under the OVW's Grants to Encourage Arrest Policies Program in the amount of \$2,579,633. The program intends to enhance victim safety and offender accountability in cases of domestic violence and dating violence by encouraging jurisdictions to implement mandatory and pro-arrest policies as part of a coordinated community response.

Grant No. 2009-DC-BX-0086 was made under OJP's Drug Court Discretionary Grant Program, which is designed to assist states, state courts, local courts, units of local government, and Indian tribal governments in developing and establishing drug courts for substance-abusing adult and juvenile offenders. The Drug Court Discretionary Grant Program is awarded in one of three areas: (1) implementation, (2) enhancement, or (3) statewide. The ISC's award was originally made under the "enhancement" category; however, this was a clerical mistake in the application and submission progress, and the OJP has since identified the ISC as a "statewide" grantee.²

Finally, Grant Nos. 2009-MO-BX-0044, and 2010-MO-BX-0046 were made under OJP's Justice and Mental Health Collaboration Program (JMHCP). The JMHCP is designed to increase public safety by facilitating collaboration among the criminal justice, juvenile justice, and mental health and substance abuse treatment systems to increase access to mental health and

¹ Statements regarding the mission and intent of the OVW, OJP, and ISC are from the applicable agency's website (unaudited).

² Enhancement grants are available to jurisdictions with a fully operational (at least 1 year) adult drug court to provide various drug court services. Statewide grants are available to state agencies to improve, enhance, or expand drug court services.

other treatment services for those individuals with mental illness or co-occurring mental health and substance use disorders.

The ISC's stated intention for Grant No. 2009-MO-BX-0044 is to expand a current program designed to develop and utilize community sentencing alternatives to reduce the flow of individuals through the state prison system. Through the grant, the ISC plans to implement new key elements dedicated to addressing the specific needs of female offenders with co-occurring mental and substance use disorders, emphasize cross systems training aimed at improving treatment and supervision, and refine existing process and outcome evaluation design.

With Grant No. 2010-MO-BX-0046, the ISC plans to develop a statewide strategic plan to focus on improving outcomes for justice-involved persons with mental illness and co-occurring substance use disorders. The plan aims to include organizing and convening a broadly based, statewide task force chaired by the Chief Justice of the ISC.

Our Audit Approach

The objectives of this audit are to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) financial status and progress reports, (7) grant requirements, (8) program performance and accomplishments, and (9) monitoring of subgrantees and contractors. We determined that property management and program income were not applicable to these awards. We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in this report, the criteria we audit against are contained in the *OJP Financial Guide*³ and the award documents.

³ In April 2012, the Office on Violence Against Women issued the *2012 OVW Financial Grants Management Guide*. Though the grants in this audit were bound to the criteria held in the *OJP Financial Guide*, we note that any recommendations implemented for Grant No. 2005-WE-AX-0135 should correspond to the newly issued OVW financial guide as applicable.

We examined the ISC's accounting records, financial and progress reports, and operating policies and procedures, and found that the ISC:

- paid \$6,497 in unallowable consultant costs from OVW Grant No. 2005-WE-AX-0135.
- made \$26,692 in unallowable transfers between approved budget categories in OVW Grant No. 2005-WE-AX-0135.
- did not consistently submit semi-annual progress reports in a timely manner for all OJP awards in this audit.
- was not in compliance with two special conditions required for OJP Grant No. 2009-DC-BX-0086.

This report contains four findings and recommendations, which are detailed in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

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Source: OJP's Grant Management System

Background

Created in 1995, the OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The OVW's stated mission is to provide federal leadership in developing the nation's capacity to reduce violence against women, and administer justice for and strengthen services to victims. Currently, the OVW administers 3 formula-based and 18 discretionary grant programs, established under the Violence Against Women Act (VAWA) and subsequent legislation.

The OVW's discretionary grant programs work to support victims and hold perpetrators accountable through promoting a coordinated community response. Funding is provided to local, state, and tribal governments; courts; non-profit-organizations; community-based organizations; secondary schools; institutions of higher education; and state and tribal coalitions.

OJP works to provide innovative leadership to federal, state, local, and tribal justice systems, by disseminating state-of-the-art knowledge and practices across America, and providing grants for the implementation of

these crime fighting strategies. OJP does not directly carry out law enforcement and justice activities; rather, OJP works in partnership with the justice community to identify the most pressing crime-related challenges confronting the justice system and to provide information, training, coordination, and innovative strategies and approaches for addressing these challenges.

As the third branch of the Idaho State Government, the Judicial Branch strives to provide access to justice through the timely, fair, and impartial resolution of cases. The ISC is the state's court of last resort. The ISC hears appeals from final decisions of the district courts, as well as from orders of the Public Utilities Commission and the Industrial Commission. It has original jurisdiction to hear claims against the state and to issue writs of review, mandamus, prohibition, and habeas corpus, and all writs necessary for complete exercise of its appellate jurisdiction. The ISC may also review decisions of the Court of Appeals upon petition of the parties or its own motion.¹

This audit covers one OVW grant and three OJP grants awarded to the ISC. Grant No. 2005-WE-AX-0135 was made under the OVW's Grants to Encourage Arrest Policies Program in the amount of \$2,579,633. The project intends to enhance victim safety and offender accountability in cases of domestic violence and dating violence by encouraging jurisdictions to implement mandatory and pro-arrest policies as part of a coordinated community response. With this award, the ISC intended to increase the capacity of existing domestic violence courts; create a centralized leadership position to provide statewide support to domestic violence courts; increase judicial monitoring domestic violence offenses; increase assistance to victims; and, establish the Idaho Coordinated response to Domestic Violence and Sexual Violence Team in all seven state judicial districts to improve inter-agency cooperation.

Grant No. 2009-DC-BX-0086 was made under OJP's Drug Court Discretionary Grant Program, which is designed to assist states, state courts, local courts, units of local government, and Indian tribal governments in developing and establishing drug courts for substance-abusing adult and juvenile offenders. The Drug Court Discretionary Grant Program is awarded in one of three areas: (1) implementation, (2) enhancement, or (3) statewide. The ISC's award was originally made under the "enhancement" category. However, this appeared to be a clerical mistake in the application and submission progress. The ISC submitted budget and

¹ Statements regarding the mission and intent of the OVW, OJP, and ISC are from the applicable agency's website (unaudited).

project descriptions for approval noting that they were for the statewide program. ISC officials addressed the mistake in November 2011, upon realizing that the new performance metrics were not applicable to the statewide program. The ISC contacted OJP officials to address the issue. OJP officials agreed that the ISC's program was reflective of a statewide award, and made the necessary changes to identify the ISC as a "statewide" grantee. Because the ISC intended to apply as a "statewide" grantee, the shift from "enhancement" to "statewide" did not affect our measurement of goals and objectives as the application submitted to OJP for approval, and the ISC's actual performance, reflected goals of the "statewide" category.²

The Drug Court Discretionary Grant Program is designed to assist states, state courts, local courts, units of local government, and Indian tribal governments in developing and establishing drug courts for substance-abusing adult and juvenile offenders. Drug court programs funded by the Drug Court Discretionary Grant Program are required by law to target nonviolent offenders. The program supports the following activities: adult drug court implementation, single jurisdiction drug court enhancement, statewide drug court enhancement, and planning efforts.

The ISC intended to use the drug court funds for system improvements in the areas of: training and technical assistance for drug court teams; enhancing an automated drug court data collection system; and disseminating information to enhance or strengthen drug court programs through use of a trained-peer review program and new training curricula.

The ISC's stated intention for Grant No. 2009-MO-BX-0044 was to expand the current JoAnn Wood Project, which was initially designed to achieve a collaboration focused on developing and utilizing community sentencing alternatives to reduce the flow of individuals with co-occurring disorders into the state prison system. The project aims to implement selected new components dedicated to addressing the specific needs of female offenders with co-occurring mental and substance use disorders, emphasize cross systems training aimed at improving treatment and supervision, and refine existing process and outcome evaluation design.

For Grant No. 2010-MO-BX-0046, the ISC plans to develop a statewide strategic plan to focus on improving outcomes for justice-involved persons with mental illness and co-occurring substance use disorders. The plan aims

² Enhancement grants are available to jurisdictions with a fully operational (at least 1 year) adult drug court to provide various drug court services. Statewide grants are available to state agencies to improve, enhance, or expand drug court services.

to include organizing and convening a broadly based, statewide task force chaired by the Chief Justice of the ISC.

Our Audit Approach

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide*³ and the award documentation. We tested the ISC's:

- **internal control environment** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grant;
- **grant drawdowns** to determine whether grant drawdowns were adequately supported and if the ISC was managing grant receipts in accordance with federal requirements;
- **grant expenditures** to determine the accuracy and allowability of costs charged to the grant;
- **budget management and control** to determine the ISC's compliance with the costs approved in the grant budget;
- **Federal Financial Reports (FFR) and progress reports** to determine if the required reports were submitted in a timely manner and accurately reflect grant activity;
- **grant objectives and accomplishments** to determine whether the ISC is capable of meeting the grant objectives; and
- **closeout activity** to determine if grants which had reached their end date were appropriately closed.

The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

³ In April 2012, the OVW issued the *2012 OVW Financial Grants Management Guide*. Though the grants in this audit were bound to the criteria held in the *OJP Financial Guide*, we note that any recommendations implemented for Grant No. 2005-WE-AX-0135 should correspond to the newly issued OVW financial guide as applicable.

FINDINGS AND RECOMMENDATIONS

Our sample testing did not identify indications that the ISC was non-compliant in the following areas: internal control environment, drawdowns, indirect costs, match requirements, financial reporting, program performance and accomplishments, and monitoring of subgrantees and contractors. However, at the time of our audit, we found that the ISC had paid two consultants at a rate exceeding that which is allowable by the *OJP Financial Guide*, resulting in \$6,497 in unallowable direct costs; had made \$26,692 in unallowable budget transfers; did not consistently submit progress reports in a timely manner; and was not in compliance with two of the special conditions related to Grant No. 2009-DC-BX-0086.

Prior Audits

The *Office of Management and Budget (OMB) Circular A-133* requires that non-Federal entities that expend \$500,000 or more per year in Federal awards have a single audit performed annually. The Idaho Judiciary Department is a branch of the Idaho government and is therefore audited within the state Single Audits. We determined that the three most recent Single Audits for Idaho were for Fiscal Years (FY) 2009, 2010, and 2011. We reviewed these audit reports and did not identify any issues specific to the ISC. However, we also reviewed the FY 2011 audit of the Idaho Judicial Department and identified the following issues:

- The ISC recorded a total of 26 adjusting entries in response to audit findings. Of the 26 adjusting entries, 22 were related to accrual adjustments totaling \$26,855,847 and 4 related to audit adjustments totaling \$611,238, with a total effect to net income of \$27,459,102. These adjustments included recording accruals related to receivable, prepaid expenses, deferred revenues, and payables, corrections to capitalize depreciable assets, recording of depreciation expense, and reclassifications to correct accounts.
- The ISC included expenditures related to equipment and software that met the capitalization requirements under Generally Accepted Accounting Principles, but were not reported as a capital asset in the Department accounting records or closing package.

The auditors issued recommendations for both issues identified above. Specifically, the auditors recommended that the ISC analyze the cost/benefit of implementing a control system which would allow for the recording of

accrual adjustments and the preparation of financial statements and related disclosures, and recommended that ISC management implement an internal capitalization policy related to intangibles that is consistent with the department materiality levels.

Regarding the accrual adjustments, ISC officials conceded that because the ISC contracts with an independent accounting firm to prepare the financial statements and perform year-end accruals, they are not in compliance with the *Statement on Auditing Standards 115*. ISC officials stated that they understand this will continue to be a finding in subsequent audits. In reference to the capitalization requirements, ISC management reported that the specific accounting requirement had been communicated to ISC staff to ensure that future costs will be recorded and tracked.

Internal Control Environment

We reviewed the ISC's internal control environment, including procurement, receiving, and payment procedures; the payroll system; and the ISC's monitoring of subrecipients. To determine the controls in place, we interviewed the ISC's Financial Executive Officer and Grant Manager, and we conducted sample testing of direct cost transactions to verify that the controls are being effectively implemented. We conducted this review to determine compliance with the terms and conditions of the grants, and to assess risk.

The ISC is covered under the fiscal policies of the State of Idaho and utilizes a multi-layer approval process documenting the receipt of items purchased and the payment of invoices. We reviewed 125 direct cost transactions, and determined that sampled invoices were generally reviewed and properly approved prior to payment.

Employees are paid once a month, and payment is rendered based on time sheets that each employee submits to a supervisor for approval. Time sheets track the hours each individual works by project, allowing payment from more than one account if an employee has worked on more than one project during the pay period. Our review of direct costs included payroll transactions, and for those items tested, we determined that time sheets and personnel costs were also generally properly reviewed and approved prior to payment.

To determine the ISC's policies related to the monitoring of subrecipients, we interviewed the Statewide Domestic Violence Court Coordinator (SDVCC) and the Project Director for Grants. The ISC does not have a written policy on administering and monitoring sub-recipients,

consultants or contractors. For OVW Grant No. 2005-WE-AX-0135, the SDVCC reviewed time sheets and monthly statistical reports submitted by the various districts funded under the award. The SDVCC also conducted site visits at least once a year, and held an annual meeting with all Coordinators. For the OJP awards, the Project Director for Grants reported that most subrecipients were contracted for short time periods, and therefore formal ongoing monitoring is not conducted. However, for contracts which were carried out over longer time periods, the ISC staff worked closely with the contractor to monitor the deliverables according to each individual work order. As a best practice, the ISC should maintain a written policy to monitor subrecipients.

Drawdowns

To determine the procedures for drawing down grant funds, we conducted interviews with ISC officials. We determined that the grants awarded to the ISC are reimbursement based, and are therefore subject to the *OJP Financial Guide* requirement that drawdown requests be timed to ensure that Federal cash on hand is the minimum needed for disbursements or reimbursements to be made immediately or within the next 10 days.

We analyzed each grant in our audit to determine if the total actual costs recorded in the accounting records were equal to, or in excess of, the cumulative drawdowns as recorded by the OVW and OJP.

EXHIBIT 2: ANALYSIS OF DRAWDOWNS

GRANT NUMBER	TOTAL AMOUNT DRAWN	TOTAL AMOUNT EXPENDED	DIFFERENCE
2005-WE-AX-0135	\$2,483,060	\$2,483,060	\$ -
2009-DC-BX-0086	127,754	125,257	2,497
2009-MO-BX-0044	43,426	43,426	-
2010-MO-BX-0046	23,187	23,187	-

Source: OJP's Grant Management System ; ISC accounting records.

As shown in Exhibit 2, we noted that the ISC was cumulatively overdrawn for Grant No. 2009-DC-BX-0086. ISC officials reported that the discrepancy was due to a credit which had been issued on the same day the drawdown had been made. We reviewed the ISC's accounting records and confirmed that a credit in this amount had been issued on the same date as the draw had been made. Therefore, we make no recommendations in this area.

Grant Expenditures

To determine if grant expenditures were allowable, reasonable, and in compliance with the terms and conditions of the award, we reviewed policies and procedures and conducted sample testing the categories of direct costs, indirect costs, and matching.

Direct Costs

As noted in the Internal Controls section of this report, our review included 125 direct cost expenditures. For OVW Grant No. 2005-WE-AX-0135, we tested 60 transactions totaling \$327,182. Generally, we determined that the transactions tested were allowable, reasonable, and in compliance with the terms and conditions of the award. However, as shown in Exhibit 3, we identified two consultants that were paid at a rate exceeding that which is allowable by the *OJP Financial Guide*.

EXHIBIT 3: UNALLOWABLE CONSULTANT RATES

DATE	HOURS BILLED	BILLED RATE	TOTAL PAID	ALLOWABLE RATE	TOTAL ALLOWABLE	UNALLOWABLE OVERPAYMENT
Consultant #1⁴						
11/01/07	5	\$75	\$ 375	\$56.25	\$ 281	\$ 94
11/29/07	5	75	375	56.25	281	94
09/01/08	34.5	75	2,588	56.25	1,941	647
09/26/08	43	75	3,225	56.25	2,419	806
Consultant #2						
07/17/07	6.25	\$75	\$ 469	\$56.25	\$ 352	\$ 117
08/10/07	7.5	75	563	56.25	422	141
08/10/07	28	75	2,100	56.25	1,575	525
08/30/07	13.75	75	1,031	56.25	773	258
10/18/07	6	75	450	56.25	338	113
11/29/07	19	75	1,425	56.25	1,069	356
12/18/07	11.75	75	881	56.25	661	220
01/31/08	11	75	825	56.25	619	206
03/04/08	16.75	75	1,256	56.25	942	314
05/15/08	13.75	75	1,031	56.25	773	258
06/17/08	23.75	75	1,781	56.25	1,336	445
07/11/08	20.25	75	1,519	56.25	1,139	380
09/26/08	17.5	75	1,313	56.25	984	328
09/26/08	47.25	75	3,544	56.25	2,658	886
03/13/09	16.5	75	1,238	56.25	928	309
TOTAL UNALLOWABLE OVERPAYMENTS:						\$6,497

Source: *OJP Financial Guide*, ISC accounting records.

⁴ Individual names have been removed to protect privacy. These names have already been provided to the ISC, and will be provided to the OVW upon request.

The *OJP Financial Guide* requires that award recipients obtain written prior approval if compensation for consultant services is in excess of \$450 per day, or \$56.25 per hour. We determined that the ISC had not obtained prior approval for the excess costs. Therefore, we question the amount paid in excess of the allowable rate of \$56.25 per hour as unallowable, and recommend that the OVW coordinate with the ISC to remedy the \$6,497 in unallowable consultant costs.

Indirect Costs

The *OJP Financial Guide* defines indirect costs as the costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. The ISC received an approved indirect cost rate for FYs 2005 through 2011, and budgeted indirect costs for each award in this audit.⁵ However, the only grant to have actual indirect charges was OVW Grant No. 2005-WE-AX-0135. Therefore, the analysis below is related only to that award.

As shown in Exhibit 4, we determined that the ISC's indirect cost base included direct costs with the exception of capitalized equipment and contracts over \$25,000. We calculated the ISC's base by fiscal year using that criteria, and compared the allowable amount with the amount actually charged to the grant.

EXHIBIT 4: INDIRECT COST RATE ANALYSIS

FY ENDING	BASE⁶	APPROVED INDIRECT COST RATE	INDIRECT COSTS ALLOWED	AMOUNT CHARGED TO GRANT	DIFFERENCE
06/30/06	\$ 43,581	17.47%	\$ 7,614	\$ 7,614	\$ -
06/30/07	154,669	20.70	32,017	32,017	-
06/30/08	199,824	21.79	43,542	43,130	412
06/30/09	323,361	20.74	67,065	67,065	-
06/30/10	333,007	16.97	56,511	56,213	299 ⁷
06/30/11	423,924	16.80	71,219	71,118	101

Source: *OJP Financial Guide*, ISC accounting records.

As shown above, we identified no instance in which the ISC had charged indirect costs to the grant in excess of the approved amount.

⁵ The ISC did receive an approved indirect cost rate for FY 2012, but we have not included it in our analysis as the complete fiscal year is not entirely within our scope.

⁶ This amount represents the ISC's approved direct costs for the fiscal year excluding capitalized equipment and contracts in excess of \$25,000.

⁷ Throughout this report, differences in the total amounts are due to rounding.

To determine if the indirect costs charged to the award were allowable, reasonable, and in compliance with the terms and conditions of the award, we selected 10 indirect cost transactions for testing. We determined that all transactions tested were generally allowable and supported. Therefore, we make no recommendations in this area.

Match Requirements

Matching requirements vary across OJP programs. Funds provided for a match must be used to support a federally funded project and must be in addition to (and therefore supplement) funds that would otherwise be made available for the stated program purpose. Match is typically stated as a percentage of the total project costs for an award.

We reviewed each award in this audit and determined that Grant Nos. 2009-DC-BX-0086, 2009-MO-BX-0044, and 2010-MO-BX-0046 included a match requirement from the ISC. Specifically, we found that the grants require matching costs in the amounts of \$66,695, \$203,925 and \$15,840 respectively. We determined that no match had been recorded for Grant No. 2010-MO-BX-0046 at the time of our audit. We reviewed the ISC accounting records and FFRs and determined that match costs had been reported for Grant Nos. 2009-DC-BX-0086 and 2009-MO-BX-0044. To verify that the costs reported were accurate and within terms and conditions of the grant, we judgmentally selected five transactions from each award to test for expenditure allowability. We determined that the matching costs examined were generally appropriate and allowable.

Budget Management and Control

For each grant, the ISC received an approved budget broken down by categories including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Construction, Contractual costs, and Other costs. If changes are subsequently made, the *OJP Financial Guide* requires that the recipient initiate a Grant Adjustment Notice (GAN) for budget modification if the proposed cumulative change is greater than 10 percent of the total award amount.

We conducted detailed analysis of expenditures by budget category, and determined that the ISC was not cumulatively over budget for any of the OJP awards in this audit. However, for OVW Grant No. 2005-WE-AX-0135, the ISC had transferred funds from the personnel category to the contracts category based on a request for clarification from the OVW. Specifically, in June 2009, an OVW official requested that the ISC clarify whether or not individuals budgeted under the personnel category

were employees of the ISC, noting that if the positions were consultant or contracted positions, the associated costs should be reflected under the consultants/contracts category.

Per that communication, the ISC adjusted their budget internally to reflect the costs for the Domestic Violence Case Managers as consultants, and transferred \$530,710 from the Personnel category to the Consultants/Contracts category. However, the required GAN was not submitted for agency approval, and therefore, the most recent approved budget still reflects the \$530,710 as having been budgeted under the personnel category. This resulted in the ISC being significantly under budget in the personnel category, and \$218,021 over budget in the Contractual category. Additionally, the ISC was over budget by \$66,634 in the travel category.

**EXHIBIT 5: BUDGET ANALYSIS FOR OVW
GRANT NO. 2005-WE-AX-0135**

BUDGET CATEGORY	AMOUNT APPROVED	AMOUNT EXPENDED	AMOUNT OVER BUDGET
Personnel	\$ 530,710	\$ 186,012	-
Travel	78,750	145,384	\$ 66,634
Equipment	4,800	4,253	-
Supplies	18,260	10,903	-
Contractual	1,469,583	1,687,604	218,021
Other	121,860	119,492	-
TOTAL OVER BUDGET:			\$284,655
ALLOWABLE DIFFERENCE, 10 PERCENT OF TOTAL PROJECT COSTS:			\$257,963
UNALLOWABLE PORTION:			\$26,692

Source: OJP's Grant Management System; ISC accounting records.

As previously noted, the *OJP Financial Guide* requires that a GAN be submitted for agency approval when the proposed change is in excess of 10 percent of the cumulative award amount. We have reduced the total amount over budget from the amount which would have been allowable according to the terms and conditions of the *OJP Financial Guide*. As a result, we question a total \$26,692 in unallowable budget transfers. We recommend that the OVW coordinate with the ISC to remedy the \$26,692 in unallowable budget transfers.

Grant Reporting

We reviewed the FFRs and Categorical Assistance Progress Reports (progress reports) to determine if the required reports had been submitted accurately, and within the timeframes required by the *OJP Financial Guide*.

Financial Reporting

The *OJP Financial Guide* requires that grant recipients report expenditures online using the FFR no later than 30-days after the end of each calendar quarter. We reviewed the four most recent FFRs for each grant, and determined that financial reporting had been submitted in a timely manner.

We also reviewed financial reporting for accuracy. According to the *OJP Financial Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. As shown in Exhibit 6, we determined that financial reporting was accurate in 15 of the 16 periods we reviewed.

EXHIBIT 6: FEDERAL FINANCIAL REPORT EXPENDITURE ACCURACY

REPORT No.	REPORT PERIOD FROM - TO DATES	CUMULATIVE GRANT EXPENDITURES PER REPORT	CUMULATIVE GRANT EXPENDITURES PER ACCOUNTING RECORDS	CUMULATIVE DIFFERENCE BETWEEN REPORTS & ACCOUNTING RECORDS
Grant No. 2005-WE-AX-0135				
24	04/01/11 - 06/30/11	\$2,017,669	\$2,017,669	-
25	07/01/11 - 09/30/11	2,128,404	2,128,405	-
26	10/01/11 - 12/31/11	2,293,563	2,293,563	-
27	01/01/12 - 02/29/12	2,483,060	2,375,820	(\$107,240)
Grant No. 2009-DC-BX-0086				
8	04/01/11 - 06/30/11	\$ 96,561	\$ 96,561	-
9	07/01/11 - 09/30/11	112,538	112,538	-
10	10/01/11 - 12/31/11	116,265	116,265	-
11	01/01/12 - 03/31/12	127,754	127,754	-
Grant No. 2009-MO-BX-0044				
7	04/01/11 - 06/30/11	\$ 23,481	\$ 23,481	-
8	07/01/11 - 09/30/11	28,487	28,487	-
9	10/01/11 - 12/31/11	38,390	38,390	-
10	01/01/12 - 03/31/12	43,426	43,426	-
Grant No. 2010-MO-BX-0046				
3	04/01/11 - 06/30/11	\$ 12,120	\$ 12,120	-
4	07/01/11 - 09/30/11	16,398	16,398	-
5	10/01/11 - 12/31/11	23,187	23,187	-
6	01/01/12 - 03/31/12	24,258	24,258	-

Source: OJP's Grant Management System and ISC accounting records.

As shown in Exhibit 6, we determined that the final FFR for OVW Grant No. 2005-WE-AX-0135 did not initially reconcile to the amounts recorded in the ISC's accounting records for the corresponding time period. However, we were able to verify that costs incurred during the award period were not disbursed in full until May 14, 2012. Because we were able to determine that the reported expenditures had been incurred during the award period, and because all other reports in our review had been submitted accurately, we make no recommendations in this area.

Progress Reports

According to the *OJP Financial Guide*, progress reports are due semiannually on January 30 and July 30 for the life of the award. To verify the timely submission of progress reports, we reviewed the last four progress reports submitted for each grant to determine if the report had been submitted as required by the *OJP Financial Guide*. As shown in Exhibit 7 below, we determined that the OVW progress reports were submitted in a timely manner. However, 7 of the 11 OJP progress reports in our review were submitted late.

EXHIBIT 7: CATEGORICAL ASSISTANCE PROGRESS REPORT HISTORY

REPORT No.	REPORT PERIOD FROM - To DATES	DUE DATE	DATE SUBMITTED	DAYS LATE
Grant No. 2005-WE-AX-0135				
11	07/01/10 - 12/31/10	01/30/11	01/26/11	0
12	01/01/11 - 06/30/11	07/30/11	07/28/11	0
13	07/01/11 - 12/31/11	01/30/12	01/26/12	0
14	01/01/12 - 02/29/12	05/31/12	05/31/12	0
Grant No. 2009-DC-BX-0086				
2	01/01/10 - 06/30/10	07/30/10	07/27/10	0
3	07/01/10 - 12/31/10	01/30/11	01/31/11	1
4	01/01/11 - 06/30/11	07/30/11	07/28/11	0
5	07/01/11 - 12/31/11	01/30/12	07/31/12	1
Grant No. 2009-MO-BX-0044				
2	01/01/10 - 06/30/10	07/30/10	11/02/10	95
3	07/01/10 - 12/31/10	01/30/11	01/31/11	1
4	01/01/11 - 06/30/11	07/30/11	07/28/11	0
5	07/01/11 - 12/31/11	01/30/12	01/31/12	1
Grant No. 2010-MO-BX-0046				
1	07/01/10 - 12/31/10	01/30/11	01/31/11	1
2	01/01/11 - 06/30/11	07/30/11	07/28/11	0
3	07/01/11 - 12/31/11	01/30/12	07/29/10	1

Source: OJP's Grants Management System; *OJP Financial Guide*.

We provided ISC officials with the opportunity to explain why progress reports for the OJP awards were frequently submitted late, but those officials were unsure of the cause. Therefore, we recommend that OJP coordinate with the ISC to establish policy ensuring the timely submission of future progress reports. We make no corresponding recommendation to the OVW, since the OVW reports in our review had I been generally submitted according to the terms and conditions of the *OJP Financial Guide*.

We also reviewed the progress reports for accuracy. According to the *OJP Financial Guide*, the funding recipient agrees to collect data appropriate for facilitating reporting requirements established by Public Law 103-62 for the *Government Performance and Results Act*. The funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. We reviewed progress reports for the last year to determine if they contained all the required program performance statistical data. We also reviewed and compared statistical data to verify performance claims for the last year of the grants.

In order verify the information in progress reports, we selected a sample of data from the last two progress reports submitted for each grant and traced it to supporting documentation maintained by ISC officials.⁸ For OVW Grant No. 2005-WE-AX-0135, we requested verification in the following areas: (1) victims served, (2) protection orders requested, (3) protection orders granted, (4) training events provided, and (5) policies and protocols that had been developed, substantially revised or implemented during the reporting period. The Statewide Domestic Violence Court Coordinator provided extensive source documentation which supported the claims made to the OVW on progress report numbers 12 and 13.

For OJP Grant No. 2009-DC-BX-0086 we requested verification in the areas of: (1) automated drug court cases, (2) training events, and (3) improvements to the Idaho Statewide Trial Court Automated Records System. For OJP Grant No. 2009-MO-BX-0044, we requested verification in the areas including: (1) the design of a strategic collaborative plan, (2) partnerships providing mental health services, (3) new individuals served by the grant program, and (4) collaborating agencies. Finally, for OJP Grant No. 2010-MO-BX-0046, we requested verification in areas including (1) agencies providing resources, (2) collaborative members involved in the planning process, (3) the total number of participating agencies, and (4) judges appointed to assist with the program. The Project Director for Grants

⁸ For OVW Grant Number 2005-WE-AX-0135 we selected our sample from the progress reports covering 2011, as the final report only covered a 2-month period.

was able to provide extensive source documentation which supported the claims made to OJP in the progress reports we tested.

In summary, we determined that valid and auditable source documentation was provided for all statistical and performance related information in our sample test, and we did not identify areas in which progress reports appeared to be inaccurate. We make no recommendations in this area.

Compliance with Grant Requirements

We reviewed each award package and tested all verifiable special conditions to determine if the ISC was in compliance with all grant requirements. Additionally, as noted throughout this report, we conducted our analysis according to the terms and conditions of the *OJP Financial Guide*.

As noted previously, we determined that the ISC paid two consultants from OVW Grant No. 2005-WE-AX-0135 at a rate exceeding that which is allowable by the *OJP Financial Guide*, made unallowable budget transfers, and submitted progress reports late, and we have made recommendations in these areas as appropriate.

In testing compliance with grant requirements, we also determined that the ISC was not able to provide documentation demonstrating compliance with the following special conditions related to Grant No. 2009-DC-BX-0086:

- Recipient agrees to submit a written strategy describing the jurisdiction's plan for sustaining the drug court program after Federal financial assistance has ended. The sustainability plan must be submitted by the end of the first year of the grant period in order to be in compliance with this requirement.
- Recipient agrees to submit an evaluation plan and/or management information system plan for review and approval within 180 days from the date of acceptance of this award. The recipient agrees to submit finalized evaluation report to the Bureau of Justice Assistance prior to the end of the grant period.

We were not provided with documentation indicating that these special conditions had been met. We contacted officials at OJP to determine if the change in program categorization affected the requirements of the special conditions listed in the award documentation. OJP officials noted that the special conditions may not be applicable to the statewide award, but noted

that the special condition still exists. The *OJP Financial Guide* notes that direct recipients are responsible for complying with the specific terms and special conditions of the award, and additionally requires that a GAN be initiated for changes in scope, duration, activities, or other significant areas. A GAN releasing the special conditions detailed here was not submitted. Therefore, we recommend that OJP coordinate with the ISC to determine the applicability of all special conditions in the award documentation, and appropriately address the special conditions through submission of the required documents.

Program Performance and Accomplishments

The purpose of the grants awarded to the ISC is dependent upon the grant program. The intent of the OVW's Grants to Encourage Arrest Program (Arrest Program) is to enhance victim safety and offender accountability in cases of domestic violence and dating violence by encouraging jurisdictions to implement mandatory and pro-arrest policies as an effective domestic violence intervention that is part of a coordinated community response. An integral component of Arrest Program initiatives is the creation and enhancement of collaborative partnerships between criminal justice agencies, victim services providers, and community organizations which respond to domestic violence.

The intent of OJP's Drug Court Discretionary Grant Program is to assist states, state courts, local courts, units of local government, and Indian tribal governments in developing and establishing drug courts for substance-abusing adult and juvenile offenders. Drug court programs funded by the Drug Court Discretionary Grant Program are required by law to target nonviolent offenders. The program supports the following activities: adult drug court implementation, single jurisdiction drug court enhancement, statewide drug court enhancement, and planning efforts.

Finally, the primary purpose of the Justice and Mental Health Collaboration grant program is to increase public safety by facilitating collaboration among the criminal justice, juvenile justice, and mental health and substance abuse treatment systems to increase access to mental health and other treatment services for those individuals with mental illness.

The specific goals of Grant No. 2005-WE-AX-0135, funded under the Arrest Program, were to: (1) increase the capacity of the existing Ada County Domestic Violence Court and develop two model integrated courts in rural areas with a single specialized judge handling all cases; (2) create a state-level position of Domestic Violence Resource Coordinator to provide

support to the entire state including the existing Ada County court, the two new domestic violence courts, and the remaining four districts in the state; (3) assign three domestic violence case managers to provide judicial monitoring of offenders, track cases, and assist victims with comprehensive services; and (4) establish the Idaho Coordinated Response to Domestic and Sexual Violence Team in all seven judicial districts to improve inter-agency cooperation.

The specific goals of Grant No. 2009-DC-BX-0086, funded under the Drug Court Discretionary Grant Program, were to were to: (1) improve quality and completeness of drug court data in the statewide information system through improvements in the system and increased data quality monitoring and training; (2) increase and standardize drug court operational training and continuing education; (3) achieve greater consistency in compliance with statewide guidelines among all Idaho drug courts through use of a structured, peer on-site review process with feedback and information for improvement; and (4) develop training, and innovative information dissemination efforts to increase the use of evidence-based practices.

The specific goals of Grant No. 2009-MO-BX-0044, funded under the Justice and Mental Health Collaboration Program (JMHCP), were to: (1) develop a state-recognized Regional Justice Mental Health Task Force; (2) screen all jail bookings for mental illnesses and/or coexisting disorders; (3) expand capacity of the system of mental health courts; (4) improve responses to women offenders in the justice system in Bonneville County; (5) improve fidelity and effectiveness of specific interventions used in the system, including mental health collaborative efforts; and (6) develop a comprehensive process and outcome evaluation design.

The specific goals of Grant No. 2010-MO-BX-0046, also funded under the JMHCP, were to: (1) develop a strategic plan for improved outcomes for justice involved persons with mental illness; (2) improve outcomes for justice involved women with mental illness or co-occurring mental and substance use disorders; and (3) improve outcomes for justice involved veterans with mental illness or co-occurring mental and substance use disorders.

In order to assess program performance and accomplishments, we reviewed the agency solicitations and grant documentation, and interviewed ISC officials to determine the goals and objectives of the program, and whether those goals and objectives have been or are being implemented. Each award contained multiple goals with corresponding objectives. We judgmentally selected one goal from each original award, and from each

supplement to that award, if applicable, and requested that the ISC provide evidence demonstrating that the goals and objectives of the award had been met or are sufficiently in progress.

The ISC was able to support their claims of achievement pertaining to the goals stated above. We found no indication that the ISC would be unable to meet current or future objectives of grant related programs, and we make no recommendations in this area.

Closeout Activity

According to the *OJP Financial Guide*, award recipients have 90 days after the end date of the award to close out the award. Also, award recipients are to provide a cash reconciliation, make the final drawdown, and submit all required final reporting to the granting agency. As noted in Exhibit 8, we determined that one of the four grants in this audit had reached its closeout date.

EXHIBIT 8: CLOSEOUT STATUS OF GRANTS AWARDED TO THE ISC

AWARD No.	PROJECT START DATE	PROJECT END DATE	REQUIRED PROJECT CLOSEOUT DATE	CLOSEOUT STATUS PER OJP GRANTS MANAGEMENT SYSTEM
2005-WE-AX-0135	07/01/05	02/29/12	05/29/12	Final Approved

Source: OJP's Grants Management System.

We determined that the required reporting was submitted on time, and no drawdowns were made outside the allowable period. We did identify costs which had been recorded in the accounting records after the award end date, but we were able to determine that the costs were generally allowable, and had been incurred during the award period. We make no recommendations in this area.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant, and to determine program performance and accomplishments. We examined the ISC's accounting records, budget documents, financial and progress reports, and operating policies and procedures. We found that the ISC:

- paid \$6,497 in unallowable consultant costs from OVW Grant No. 2005-WE-AX-0135,

- made \$26,692 in unallowable transfers between approved budget categories in OVW Grant No. 2005-WE-AX-0135,
- did not consistently submit semi-annual progress reports in a timely manner for all OJP awards in this audit, and
- was not in compliance with two special conditions required for OJP Grant No. 2009-DC-BX-0086.

Recommendations

We recommend that the OVW coordinate with the ISC to:

1. Remedy the \$6,497 in unallowable consultant costs.
2. Remedy the \$26,692 in unallowable transfers between approved budget categories.

We recommend that OJP coordinate with the ISC to:

3. Ensure that semi-annual progress reports are submitted according to the requirements of the *OJP Financial Guide*.
4. Ensure that all special conditions for Grant No. 2009-DC-BX-0086 are handled according to the requirements of the *OJP Financial Guide*.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit are to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) financial status and progress reports, (7) grant requirements, (8) program performance and accomplishments, and (9) monitoring of subgrantees and contractors. We determined that property management and program income were not applicable to these awards. We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in this report, the criteria we audit against are contained in the *OJP Financial Guide* and the award documents.

Our audit concentrated on, but was not limited to, the award date of Grant No. 2005-WE-AX-0135 on September 26, 2005 through June 22, 2012, the day our field work concluded. This was an audit of OVW Grant No. 2005-WE-AX-0135 and OJP Grant Nos. 2009-DC-BX-0086, 2009-MO-BX-0044, and 2010-MO-BX-0046 awarded to the ISC. The ISC has drawn down a total of \$2,677,426 in grant funds as of May 22, 2012.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In conducting our audit, we performed sample testing in five areas, which were grant expenditures (including personnel expenditures), Financial Reports, progress reports, matching costs, and indirect costs. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed, such as dollar amounts, expenditure category, or risk. However, this non-statistical sample design does not allow a projection of the test results for all grant expenditures or internal controls and procedures.

In addition, we evaluated internal control procedures, drawdowns, budget management and controls, compliance with grant requirements, program performance and accomplishments, and the ISC's monitoring of subrecipients. However, we did not test the reliability of the financial

management system as a whole and reliance on computer based data was not significant to our objective.

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>QUESTIONED COSTS</u> ⁹	<u>AMOUNT</u>	<u>PAGE</u>
Unallowable Consultant Costs	\$6,497	10
Unallowable Budget Transfers	\$26,692	13
TOTAL QUESTIONED COSTS	\$33,189	
TOTAL DOLLAR-RELATED FINDINGS	\$33,189	

⁹ **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

**STATE OF IDAHO SUPREME COURT'S
RESPONSE TO THE DRAFT REPORT**

THE STATE OF IDAHO
SUPREME COURT



ROLAND GAMMILL
FINANCIAL EXECUTIVE OFFICER
email: rgammill@scourts.net

411 W. GARE STREET
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August 15, 2012

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln, Suite 1500
Denver, CO 80203

Dear Mr. Sheeren:

In response to the draft audit report, dated August 2, 2012, the Idaho Supreme Court would like to respond to each recommendation made regarding the DOJ Grants.

We would like to respond to each of the recommendations identified on page 20 of the draft audit report.

Finding / Recommendation 1 - OVW Grant No. 2005-WE-AX-0135

Remedy the \$6,497 in unallowable consultant costs.

Response 1

With regard to the contracts between the Idaho Supreme Court, Consultant 1 and Consultant 2, wherein we contracted with these professional researchers for an evaluation of domestic violence courts. We were approved by OVW to conduct and evaluation of DV Courts in the 6th and 7th Judicial Districts for \$42,000. An evaluation by neutral professional researchers was needed so that we could show judges, court administrators, legislators and other stakeholders that domestic violence courts outcomes were successful in keeping victims safe and holding offenders accountable. Proof of successful outcomes was required to move forward with a request for funding that would sustain domestic violence courts when grant money ended. In 2006, the ISC informed OVW that we would be able to obtain an evaluation for \$30,000 verse the \$42,000 originally approved due to the court's close proximity to the Idaho State University and the availability of

graduate students who assisted in data collection and the evaluation report. Because OVW approved the \$30,000 evaluation, ISC was under the impression that the only agreement ISC had to worry about was how to get a thorough evaluation that would measure the outcomes we needed for sustainability completed for under \$30,000. The contract amount of \$30,000 included the consultant's expenses and supplies (including transcription costs) to complete the contract. The tasks to be completed by Consultant 1 and Consultant 2 pursuant to the contract, such as qualitative focus groups with judges, qualitative and quantitative analysis of the data, etc., warrant an hourly rate that is congruent with doctorate level researchers. Therefore, our focus was on keeping the costs associated with this evaluation within the OVW budget amount.

The final evaluation was completed for the OVW grant amount awarded and it accomplished OVW's and ISC's objective of "DV Court sustainably." Attached is a copy of the Comprehensive Evaluation and Executive Summary. See Attachment 1 and 2.

Finding / Recommendation 2 - OVW Grant No. 2005-WE-AX-0135

Remedy the \$26,692 in unallowable transfers between approved budget categories.

Response 2 –

As stated on page 11 of the draft audit report, "in June 2009, an OVW official requested that the ISC clarify whether or not individuals budgeted under the personnel category were employees of the ISC, noting that if the positions were consultant or contracted positions, the associated costs should be reflected under the consultants/contracts category.

Per that communication, the ISC adjusted their budget internally to reflect the costs for the Domestic Violence Case Managers as consultants, and transferred \$530,710 from the Personnel category to the Consultants/Contracts category."

ISC has the supporting emails which approved this change identified above by OIG. Based on the emails attached in Attachment 3, the ISC is requesting that OVW review the issue and correspondence attached and please consider submitting a GMS budget adjustment based on the already approved budget change. The ISC realizes this was an error back in 2007 that was never correctly handled through the GMS system. We apologize for the confusion and the current hassle on OVW's part.

Finding / Recommendation 3 – OJP Grant # 2009-DC-BX-0086, 2009-MO-BX-0044 and 2010-MO-BX-0046

Ensure that semi-annual progress reports are submitted according to the requirements of the *OJP Financial Guide*.

Response 3-

There are seven reports cited in this finding. Six of these reports are shown as being late by one day each. The reason for this degree of lateness is that the project manager thought that the reports were due on the last day of the month. However, in a month with 31 days, filing the report on the last day of the month caused the report to be late by one day inasmuch as the actual requirement is to file the report no later than 30 days after the end of the reporting period.

In the case of the report that was shown as 95 days late research into e-mails with the Project Officer indicates that the following took place: The report was actually initially filed in a timely manner. However, on October 10th the newly assigned federal grant project officer notified the project director that the required data attachment (upload from the Performance Measurement Tool data system) to the progress report was missing. The project director researched this issue and resubmitted the data attachment with the progress report. This took a few days but it is not clear exactly when this was actually submitted. The amended report with the data attachment was "accepted" in the GMS system by the Federal Grant Project Officer on November 2nd. Please see Attachment 4.

The project director will calendar these reports to be submitted earlier in the month in which they are due, with a copy to the grants monitor in the Idaho Supreme Court who will also monitor the submission date to avoid late reports in the future.

Finding / Recommendation 4 – OJP Grant # 2009-DC-BX-0086, 2009-MO-BX-0044 and 2010-MO-BX-0046

Ensure that all special conditions for Grant No. 2009-DC-BX-0086 are handled according to the requirements of the *OJP Financial Guide*.

Response 4 -

Two special conditions are noted as not having been satisfied.

Condition #6 requires submission of a sustainability plan. Since this was called to our attention as being missing, this plan has been submitted to the Federal Grant Project Officer. This was submitted on August 2, 2012. Please see Attachment 5.

The second of the noted special conditions has been reported to us by our Federal Grant Project Officer to not be, in fact, required of statewide grants such as this project. As was described at the time of the audit visit to Boise, and later confirmed by the Federal Grant

described at the time of the audit visit to Boise, and later confirmed by the Federal Grant Project Officer, this grant was awarded by BJA as an enhancement grant when it clearly was a statewide grant. Certain conditions were attached related to the enhancement grants which were not relevant to a statewide grant. Condition #8 was such a condition. Our Federal Grant Project Officer stated on August 2 that she had also notified the OIG person of that determination.

If you have any questions, please call me at 334-2248.

Sincerely,



Roland F. Gammill
Financial Executive Officer

Cc: Ms. Linda Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs
810 7th Street, N.W.
Room TW8020
Washington, DC 20531

Mr. Rodney D. Samuels
OVW Audit Liaison
Office of Violence Against Women
145 N. Street, N.E.
Room 10W.723
Washington, DC 20530

OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO DRAFT AUDIT REPORT

U.S. Department of Justice


Office on Violence Against Women


Washington, D.C. 20530

September 18, 2012

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Bea Hanson 
Acting Director
Office on Violence Against Women

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

SUBJECT: Draft Audit Report - Audit of the Idaho Supreme Court in Boise, Idaho (ISC)

This memorandum is in response to your correspondence dated August 2, 2012 transmitting the above draft audit report for ISC. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains two recommendations, \$6,497 in unallowable consultant costs and \$26,692 in unallowable transfers between approved budget categories. The Office on Violence Against Women (OVW) is committed to working with the grantee to address each item and bring them to a close as quickly as possible. The following is an analysis of the audit recommendations:

1) Remedy the \$6,497 in unallowable consultant costs.

We agree with this recommendation. OVW will work with the grantee to remedy the \$6,497 in unallowable consultant costs.

2) Remedy the \$26,692 in unallowable transfers between approved budget categories.

We agree with this recommendation. OVW will work with the grantee to remedy the \$26,692 in unallowable transfers between approved budget categories.

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

cc: Louise M. Duhamel
Acting Assistance Director
Audit Liaison Group
Justice Management Division

Angela Wood
Budget Officer
Office on Violence Against Women

Nicolette Gantt
Program Specialist
Office on Violence Against Women

**OFFICE OF JUSTICE PROGRAMS'
RESPONSE TO DRAFT AUDIT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

AUG 30 2012

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Maureen A. Henneberg
Director *Maureen A. Henneberg*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office on
Violence Against Women and Office of Justice Programs Grants
Awarded to the Idaho Supreme Court, Boise, Idaho*

This memorandum is in response to your correspondence, dated August 2, 2012, transmitting the subject draft audit report for the Idaho Supreme Court (ISC). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **four** recommendations and \$33,189 in questioned costs, of which two recommendations and no questioned costs are directed to the Office of Justice Programs (OJP). The remaining two recommendations and \$33,189 in questioned costs are directed to the Office on Violence Against Women. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

3. **We recommend that OJP coordinate with ISC to ensure that semi-annual progress reports are submitted according to the requirements of the *OJP Financial Guide*.**

OJP agrees with this recommendation. We will coordinate with ISC to obtain a copy of procedures implemented to ensure that future semi-annual progress reports are submitted in a timely manner, in accordance with the requirements stated in the *OJP Financial Guide*.

4. **We recommend that OJP coordinate with ISC to ensure that all special conditions for grant number 2009-DC-BX-0086 are handled according to the requirements of the *OJP Financial Guide*.**

OJP agrees with this recommendation. We will coordinate with ISC to: (1) determine the applicability of all special conditions for grant number 2009-DC-BX-0086; and (2) address any outstanding special conditions through the submission of appropriate documentation.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Tracey Trautman
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Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number 20121400

**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 ISC, the OVW, and OJP. The responses are incorporated into appendices III, IV, and V of this final report. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

1. **Resolved.** The OVW concurred with our recommendation to remedy the \$6,497 in unallowable consultant costs. In their response to the draft report, ISC officials stated that they were not aware that they needed to abide by the allowable hourly consultant rate so long as the final work product was delivered for the \$30,000 lump sum which had been approved by the OVW. However, we based our recommendation on the special condition in the award documentation which requires pre-approval for any consultant paid at a rate exceeding \$56.25 per hour, or \$450 per day. The OVW stated in its response that it will coordinate with the ISC to remedy the \$6,497 in unallowable consultant costs.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ISC to remedy the \$6,497 in unallowable consultant costs.

2. **Resolved.** The OVW concurred with our recommendation to remedy the \$26,692 in unallowable budget transfers. In their response to the draft report, ISC officials reiterated that they had obtained approval for the budget transfers in an email from the OVW, but acknowledged that the required Grant Adjustment Notice had not been submitted. We based our recommendation on the *OJP Financial Guide's* requirement that a Grant Adjustment Notice be submitted and approved in order to transfer funds in excess of 10% of the award amount between approved budget categories. The OVW stated in its response that it will coordinate with the ISC to remedy the \$26,692 in unallowable budget transfers.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ISC to remedy the \$26,692 in unallowable budget transfers.

3. **Resolved.** OJP concurred with our recommendation to coordinate with the ISC to ensure that future semi-annual progress reports are submitted in a timely manner. In their response to the draft report, ISC officials cited a misunderstanding as to the submission process and the actual due dates for semi-annual progress reports. The ISC noted that it will implement policy in order to ensure that semi-annual progress reports are submitted before the due date. OJP stated in its response that it will coordinate with the ISC to obtain a copy of the procedures implemented to ensure that future semi-annual progress reports are submitted in a timely manner, and according to the requirements of the *OJP Financial Guide*.

This recommendation can be closed when we receive evidence that OJP has coordinated with the ISC to verify that policy is drafted and implemented to ensure the future timely reporting of semi-annual progress reports.

4. **Resolved.** OJP agreed with our recommendation to ensure that all special conditions for Grant No. 2009-DC-BX-0086 are handled according to the requirements of the *OJP Financial Guide*. In their response to the draft report, ISC officials stated that since receiving our report, they had submitted new procedures or obtained clearance from OJP to address the special condition findings we identified. OJP stated in its response that it would coordinate with the ISC directly to determine applicability and address any outstanding special conditions applicable to the award.

This recommendation can be closed when we receive evidence that OJP has approved the documentation submitted, or provided a waiver to clear the special conditions applicable to the award.