



**AUDIT OF THE OFFICE ON VIOLENCE AGAINST
WOMEN GRANTS AWARDED TO THE EIGHT
NORTHERN INDIAN PUEBLOS COUNCIL, INC.
SAN JUAN PUEBLO, NEW MEXICO**

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

Audit Report GR-60-13-004
February 2013

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE EIGHT NORTHERN INDIAN PUEBLOS COUNCIL, INC. SAN JUAN PUEBLO, NEW MEXICO

EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of six grants totaling \$4,178,000 awarded by the Office on Violence Against Women (OVW) to the Eight Northern Indian Pueblos Council, Inc. (ENIPC), as shown in Exhibit 1.

EXHIBIT 1: GRANTS AWARDED TO THE ENIPC

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AMOUNT
2005-WH-AX-0071	09/12/05	09/01/05	08/31/11	\$ 553,000
2006-WL-AX-0029	09/15/06	07/01/06	03/31/11	900,000
2007-TW-AX-0063	09/17/07	09/01/07	02/28/11	675,000
2008-TW-AX-0036	09/19/08	08/01/08	07/31/11	900,000
2010-TW-AX-0056	09/15/10	10/01/10	09/30/13	900,000
2010-WH-AX-0057	09/20/10	10/01/10	09/30/13	250,000
Total:				\$4,178,000

Source: The Office of Justice Programs' (OJP) Grants 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* and subsequent legislation.

The ENIPC is a nonprofit consortium of the Tribal Coalitions of the Northern New Mexico Indian Pueblos of Nambe, Picuris, Pojoaque, San Ildefonso, San Juan, Santa Clara, Taos, and Tesuque. The ENIPC serves the men, women, and children in the Pueblos and other constituents by offering a broad variety of economic, educational, and social service programs designed to meet their unique needs. The stated mission of the ENIPC is to promote and facilitate improvement of educational opportunities, healthcare,

economic development, housing conditions, and the environment for the Tribal Members of the Pueblos.

The ENIPC operates the PeaceKeepers Domestic Violence Program, which strives to provide culturally appropriate comprehensive services to Native Americans from all eight Pueblos. These services include victim peer advocacy and support groups, legal counsel, criminal prosecution on behalf of tribes, batter re-education, probation supervision, child and adult counseling, and sexual abuse and stalking advocacy.¹

This audit includes six grants made under the OVW's discretionary grant programs. Grant Nos. 2005-WH-AX-0071 and 2010-WH-AX-0057 were awarded under the OVW's Transitional Housing Grant Program (Housing Program). The Housing Program focuses on a holistic, victim-centered approach to provide transitional housing services that move individuals into permanent housing. The primary purpose of the Housing Program is to provide assistance to minors, adults, and their dependents who are homeless, or in need of transitional housing or other housing assistance as a result of fleeing a situation of domestic violence, and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient.

Grant No. 2006-WL-AX-0029 was made under the OVW's Legal Assistance for Victims Grant Program (Legal Program). The Legal Program strengthens civil and criminal legal assistance for victims of sexual assault, stalking, domestic violence, and dating violence through collaborative programs which provide victims with representation and legal advocacy in family, immigration, administrative agency, or housing matters, protection or stay-away order proceedings, and other similar areas. The Legal Program increases the availability of civil and criminal legal assistance in order to provide effective aid to victims who are seeking relief in legal matters arising because of abuse or violence.

Grant Nos. 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056 were awarded under the OVW's Grants to Indian Tribal Governments Program (Tribal Program). The Tribal Program awards funding to develop and enhance effective plans for tribal governments to respond to violence committed against Indian women. Goals of the program are to strengthen the tribal criminal justice system, improve services available to help Indian women who are victims of violence, create community education and prevention campaigns, address the needs of children who witness

¹ Statements of mission and intent regarding the OVW and the ENIPC have been taken from the agencies' website or official publications directly (unaudited).

domestic violence, provide supervised visitation and safe exchange programs, provide transitional housing assistance, and provide legal advice and representation to survivors of violence who need assistance with legal issues caused by the abuse or the violence they suffered.

Our Audit Approach

Over the course of our work, we learned that the OVW Grant Manager for the awards in this audit was a former employee of the ENIPC, having left the ENIPC in 2005.² Though a new Grant Manager was assigned to the ENIPC's open awards during our audit, we note that grants being managed for any period of time by an individual who is a former employee of the award recipient could present the appearance, whether actual or perceived, of a conflict of interest.

The objectives of our 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) financial status and progress reports, (6) compliance with grant requirements, (7) program performance and accomplishments, and (8) closeout activity. We determined that property management, matching, 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*, the *2012 OVW Financial Grants Management Guide*, and the award documents.

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

- there was no process in place to effectively ensure that charges to the grants are allowable;
- \$347,578 in unallowable payroll costs for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$81,068 in unallowable fringe costs for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;

² This information was voluntarily disclosed by the Grant Manager.

- \$13,970 in unsupported training and travel costs for Grant Nos. 2005-WH-AX-0071, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$83,328 in unallowable training and travel costs for Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$15,011 in unallowable property, automobile, and liability insurance charges for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2010-TW-AX-0056, and 2010-WH-AX-0057;
- \$25,137 in indirect cost charges in excess of the amount approved by the OVW for Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, and 2008-TW-AX-0036;
- \$7,174 in unallowable budget transfers for Grant No. 2005-WH-AX-0071;
- publications were not pre-approved as required by the OVW;
- the ENIPC did not ensure that publications contained the required language from the OVW;
- Transitional Housing Policies and Procedures were not submitted to the OVW for approval as required, and;
- unallowable transfers between awards at closeout.

This report contains 12 findings and 11 recommendations, which are detailed in the Findings and Recommendations section. Our audit objectives, scope, and methodology are discussed in Appendix I.

Table of Contents

INTRODUCTION	1
Background.....	1
Our Audit Approach.....	3
FINDINGS AND RECOMMENDATIONS	5
Prior Audits.....	5
Internal Control Environment	6
Drawdowns.....	7
Grant Expenditures	8
Direct Costs	8
Indirect Costs.....	12
Budget Management and Control	13
Grant Reporting.....	13
Financial Reporting.....	14
Progress Reports.....	16
Compliance with Grant Requirements	18
Program Performance and Accomplishments	19
Closeout Activity.....	21
Conclusion	22
APPENDIX I – OBJECTIVES, SCOPE, AND METHODOLOGY	24
APPENDIX II - SCHEDULE OF DOLLAR-RELATED FINDINGS	26
APPENDIX III – EIGHT NORTHERN INDIAN PUEBLOS COUNCIL RESPONSE TO THE DRAFT AUDIT REPORT	27
APPENDIX IV – OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT.....	33
APPENDIX V – ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT	36

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE EIGHT NORTHERN INDIAN PUEBLOS COUNCIL, INC. SAN JUAN PUEBLO, NEW MEXICO

INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of six grants totaling \$4,178,000 awarded by the Office on Violence Against Women (OVW) to the Eight Northern Indian Pueblos Council, Inc. (ENIPC) as shown in Exhibit 1.

EXHIBIT 1: GRANTS AWARDED TO THE ENIPC

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AMOUNT
2005-WH-AX-0071	09/12/05	09/01/05	08/31/11	\$ 553,000
2006-WL-AX-0029	09/15/06	07/01/06	03/31/11	900,000
2007-TW-AX-0063	09/17/07	09/01/07	02/28/11	675,000
2008-TW-AX-0036	09/19/08	08/01/08	07/31/11	900,000
2010-TW-AX-0056	09/15/10	10/01/10	09/30/13	900,000
2010-WH-AX-0057	09/20/10	10/01/10	09/30/13	250,000
Total:				\$4,178,000

Source: The Office of Justice Programs (OJP) Grants 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* and subsequent legislation.

The OVW's discretionary programs work to support victims and hold perpetrators accountable through promoting a coordinated community response. Funding is provided to local and state and tribal governments, courts, non-profit organizations, community-based organizations, secondary schools, institutions of higher education, and state and tribal coalitions. The OVW intends for these entities to work toward developing more effective responses to violence against women through activities that include direct services, crisis intervention, transitional housing, legal assistance to victims, court improvement, and training for law enforcement and courts.

The ENIPC is a nonprofit consortium of the Tribal Coalitions of the Northern New Mexico Indian Pueblos of Nambe, Picuris, Pojoaque, San Ildefonso, San Juan, Santa Clara, Taos, and Tesuque. The ENIPC was incorporated as a New Mexico nonprofit organization in 1962. Since that time, the Tribal Governors have met on a monthly basis to discuss common issues which directly affect their centuries-old communities. The ENIPC serves the men, women, and children in the Pueblos and other constituents by offering a broad variety of economic, educational, and social service programs designed to meet their unique needs. The stated mission of the ENIPC is to promote and facilitate improvement of educational opportunities, healthcare, economic development, housing conditions, and the environment for the Tribal Members of the Pueblos.

The ENIPC operates the PeaceKeepers Domestic Violence Program, which strives to provide culturally appropriate comprehensive services to Native Americans from all eight Pueblos. Its free services include victim peer advocacy and support groups, legal counsel, criminal prosecution on behalf of tribes, batterer re-education, probation supervision, child and adult counseling, and sexual abuse and stalking advocacy. The PeaceKeepers Domestic Violence Program collaborates with tribal governments, local law enforcement and nonprofit organizations and provides special events, workshops, trainings, and presentations which address all facets of domestic violence.¹

This audit includes six grants made under the OVW's discretionary grant programs. Grant Nos. 2005-WH-AX-0071 and 2010-WH-AX-0057 were awarded under the OVW's Transitional Housing Grant Program (Housing Program). The Housing Program focuses on a holistic, victim-centered approach to provide transitional housing services that move individuals into permanent housing. The primary purpose of the Housing Program is to provide assistance to minors, adults, and their dependents who are homeless, or in need of transitional housing or other housing assistance as a result of fleeing a situation of domestic violence; and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient.

Grant No. 2006-WL-AX-0029 was made under the Legal Assistance for Victims Grant Program (Legal Program). The Legal Program strengthens civil and criminal legal assistance for victims of sexual assault, stalking, domestic violence, and dating violence through innovative, collaborative programs. These programs provide victims with representation and legal advocacy in family, immigration, administrative agency, or housing matters, protection or stay-away order proceedings, and other similar matters. The Legal Program increases the availability of civil and criminal legal assistance

¹ Statements of mission and intent regarding the OVW and the ENIPC have been taken from the agencies' website or official publications directly (unaudited).

in order to provide effective aid to victims who are seeking relief in legal matters arising because of abuse or violence.

Grant Nos. 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056 were awarded under the Grants to Indian Tribal Governments Program (Tribal Program). The Tribal Program awards funding to develop and enhance effective plans for tribal governments to respond to violence committed against Indian women. Specific goals of the tribal program include strengthening the tribal criminal justice system, improving services available to help Indian women who are victims of violence, creating community education and prevention campaigns, addressing the needs of children who witness domestic violence, providing supervised visitation and safe exchange programs, providing transitional housing assistance, and providing legal advice and representation to survivors of violence who need assistance with legal issues caused by the abuse or the violence they suffered.

Our Audit Approach

Over the course of our work, we learned that the OVW Grant Manager for the awards in this audit was a former employee of the ENIPC, having left the ENIPC in 2005.² Though a new Grant Manager was assigned to the ENIPC's open awards during our audit, we note that grants being managed for any period of time by an individual who is a former employee of the award recipient could present the appearance, whether actual or perceived, of a conflict of interest.

The objectives of our 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) financial status and progress reports, (6) compliance with grant requirements, (7) program performance and accomplishments, and (8) closeout activity. We determined that property management, matching, 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 our report, the criteria we audit against are contained in the *OJP Financial Guide*, the *2012 OVW Financial Grants Management Guide*, and the award documentation.³ We tested the ENIPC's:

² This information was voluntarily disclosed by the Grant Manager.

³ In February 2012, the OVW issued the *2012 OVW Financial Grants Management Guide*, which is applicable to Grant Nos. 2010-TW-AX-0056 and 2010-WH-AX-0057. The *OJP Financial Guide* is applicable to Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, and 2008-TW-AX-0036.

- **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;
- **drawdowns** to determine whether grant drawdowns were adequately supported and if the ENIPC 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 ENIPC'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 compliance** to determine whether the ENIPC was compliant with grant requirements;
- **program performance and accomplishments** to determine if the ENIPC 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 objectives, scope, and methodology are discussed in Appendix I.

FINDINGS AND RECOMMENDATIONS

Our audit did not disclose any indications that the ENIPC was non-compliant in the following areas: drawdowns, financial status and progress reports, and program performance and accomplishments. However, at the time of our audit, we found that the ENIPC: (1) does not have a process in place to effectively ensure that charges to the grants are allowable by the OVW, (2) paid \$347,578 in unallowable payroll costs, (3) paid \$81,068 in unallowable fringe costs, (4) paid \$13,970 in unsupported training and travel costs, (5) paid \$83,328 in unallowable training and travel costs, (6) paid \$15,011 in unallowable property, automobile, and liability insurance charges, (7) paid \$25,137 in indirect cost charges in excess of the amount approved by the OVW, (8) made \$7,174 in unallowable budget transfers, (9) did not submit publications to the OVW for review as required, (10) did not ensure that publications contained the required language from the OVW, (11) did not submit the Transitional Housing Policies and Procedures to the OVW for approval as required, and (12) made unallowable transfers between awards at closeout.

Prior Audits

The *Office of Management and Budget Circular A-133* requires that non-federal entities that expend \$500,000 or more per year in federal funding have a single audit performed annually. We reviewed the three most recent single audits for the ENIPC, which were for fiscal years 2009, 2010, and 2011, and have summarized the findings below.

For the fiscal year ending March 31, 2009, the auditors reported that the ENIPC had expended certain advanced federal grant funds in a manner that may have violated certain restrictive provisions of the grants. These violations were primarily related to funding from the U.S. Department of Health and Human Services (DHHS). The auditors also reported that the ENIPC and DHHS had resolved this issue by requiring the Council to set aside \$25,000 per quarter beginning in June 2007 for 5 years to fund the stipulated deferred revenue balance of \$500,000.

The auditors also identified two findings:

- Management does not currently require employees to record their actual hours worked for each program on their timecards. Management's accounting system pays employees based on percentages assigned rather than actual hours worked. The percentages are not reconciled and revised quarterly.
- The ENIPC did not monitor compliance with all requirements of a U.S. Department of Education award.

The findings above were not related to Department of Justice grants, and were reported as resolved in the fiscal year 2010 single audit.

For the fiscal year ending March 31, 2010, the auditors reported no findings related to federal awards and for the fiscal year ending March 31, 2011, no findings were reported.

As the findings reported in the three most recent single audits were not applicable to Department of Justice funds, and because each finding was addressed by ENIPC management prior to the issuance of the next year's single audit report, we make no recommendations in this area.

Internal Control Environment

We reviewed the ENIPC's internal control environment, including procurement, receiving, and payment procedures; the payroll system; and monitoring of contractors to determine compliance with the terms and conditions of the grants, and to assess risk.

The ENIPC maintains its own policies and procedures, and utilizes a multi-layer approval process documenting the receipt of items purchased, and the payment of invoices. We reviewed 200 direct cost transactions and determined that sampled invoices were generally reviewed and properly approved by ENIPC supervisors prior to payment. However, we also identified expenditures related to training, insurance, payroll, and fringe benefits which were not budgeted or approved as required by the OVW. While we expand on the associated questioned costs in the *Direct Costs* section of this report, we also recommend that the ENIPC draft and implement policy to ensure that future charges to federal awards are allowable and approved as required by the granting agency.

We reviewed ENIPC payroll procedures and determined that employees are paid bi-weekly. Employees prepare and sign timesheets which are submitted to the Program Director for review at the end of the pay period. The Program Director reviews the timesheet for accuracy, and approves the timesheet if it is determined that the hours claimed are correct.

To determine the ENIPC's policies related to the monitoring of contractors, we obtained a copy of the Domestic Violence Program Operation Policies and Procedures. The majority of contracted expenses consist of attorneys hired through the programs to provide legal services to victims, and payment to the contracted attorneys is based on timesheets or activity logs.

Drawdowns

To determine the procedures for drawing down grant funds, we conducted interviews with ENIPC officials. We determined that the grants awarded to the ENIPC are reimbursement based, and are therefore subject to the *OJP Financial Guide* and *2012 OVW Financial Grants Management Guide* requirements 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 have included the results of our analysis below.

EXHIBIT 2: ANALYSIS OF DRAWDOWNS

GRANT No.	MOST RECENT DRAWDOWN	TOTAL AMOUNT DRAWN	TOTAL AMOUNT EXPENDED ⁴	DIFFERENCE
2005-WH-AX-0071	03/10/11	\$ 553,000	\$ 552,781	\$ (219)
2006-WL-AX-0029	01/04/11	900,000	902,657	2,657
2007-TW-AX-0063	12/07/10	675,000	679,930	4,930
2008-TW-AX-0036	07/19/11	900,000	900,000	-
2010-TW-AX-0056	08/10/12	768,436	784,554	16,118
2010-WH-AX-0057	08/10/12	121,368	125,479	4,111

Source: OJP's Grants Management System; ENIPC accounting records.

As shown in Exhibit 2, the ENIPC was cumulatively overdrawn for Grant No. 2005-WH-AX-0071 by \$219. We determined that \$208 of the \$219 in overdrawn funds was an indirect cost posting which was not entered into the accounting records until March 31, 2011. We consider this amount immaterial, and make no recommendations related to drawdowns. The remaining \$11 was transferred from Grant No. 2005-WH-AX-0071 to Grant No. 2010-WH-AX-0057. We address this issue in the Closeout Activity section of this report.

⁴ This amount includes expenditures which took place in the 10 days immediately following the drawdown.

Grant Expenditures

To determine if grant expenditures were allowable, reasonable, and in compliance with the terms and conditions of the award, we reviewed direct and indirect costs.

Direct Costs

As noted in the Internal Control Environment section of this report, our review included testing of 200 direct cost expenditures. We identified the following issues:

- Individuals who were not in the approved budgets were paid salaries and fringe using grant funds.
- Training and travel expenses were incurred which had not been pre-approved as required by the OVW.
- Property, automobile, and liability insurance costs were paid using grant funds despite not having been included in the approved budget.

Personnel Costs

We determined that the ENIPC had paid \$347,578 to individuals who were not included in the approved grant budgets:

EXHIBIT 3: UNALLOWABLE PAYROLL

GRANT No.	POSITION	AMOUNT PAID
2005-WH-AX-0071		
	Administrative Assistant	\$ 16,640
2007-TW-AX-0063		
	Batterer's Reeducation Coordinator	21,903
	Receptionist	11,021
2008-TW-AX-0036		
	Grants Manager – Transitional Housing	17,022
	Prosecutor	53,288
	Community Coordinator - Outreach	62,560
	Receptionist	28,583
2010-TW-AX-0056		
	Prosecutor	76,429
	Probation Officer	38,056
	Lead Advocate	22,077
Total Unallowable Payroll Costs:		\$347,578⁵

Source: ENIPC accounting records; OJP's Grants Management System

We contacted ENIPC officials to determine the reason for the unbudgeted positions. For the position associated with

⁵ Throughout this report, differences in the total amounts are due to rounding.

Grant No. 2005-WH-AX-0071, those officials reported that the Administrative Assistant performed transitional housing services during a time in which positions identified in the budget were vacant. The *OJP Financial Guide* requires that award recipients initiate a Grant Adjustment Notice (GAN) for a budget modification for changes in scope, duration, activities, or other significant areas which include, but are not limited to, making changes to the organization or staff with primary responsibility for implementation of the award. The appropriate GAN was not submitted, and we question the position as unallowable.

For Grant No. 2007-TW-AX-0063, the ENIPC received approval for a Batterer's Reeducation Coordinator on GAN 002. However, the organization paid two positions simultaneously, and we question the amount paid for the second position as unallowable. ENIPC officials also claimed that the Receptionist filled in as an Administrative Assistant during a vacancy. However, two other individuals were paid for the position of Administrative Assistant, and the Receptionist's salary duplicates a portion of this time in December 2009. A GAN was not submitted to obtain approval for changes to the budget, and we question the Receptionist's salary as unallowable.

For Grant No. 2008-TW-AX-0036, ENIPC officials claimed that the Grants Manager, Prosecutor, and Community Coordinator filled in as Advocates, and that the Receptionist filled in as a Program Secretary during vacancies. Again, the appropriate GANs were not submitted as required by the *OJP Financial Guide*, and we question the positions as unallowable.

Finally, for Grant No. 2010-TW-AX-0056, ENIPC officials claimed that the Prosecutor and Probation Officer filled in as Advocates during vacancies, and that the Lead Advocate worked as a Community Outreach Coordinator. As noted above, a GAN was not filed to obtain approval for the changes in personnel, and we question the positions as unallowable.

Additionally, we determined that the ENIPC had expended the following fringe charges associated with the positions identified above:

EXHIBIT 4: UNALLOWABLE FRINGE BENEFITS

GRANT NO.	POSITION	AMOUNT PAID
2005-WH-AX-0071		
	Administrative Assistant	\$ 4,317
2007-TW-AX-0063		
	Batterer’s Reeducation Coordinator	6,478
	Receptionist	3,281
2008-TW-AX-0036		
	Grants Manager – Transitional Housing	3,137
	Prosecutor	8,380
	Community Coordinator - Outreach	18,674
	Receptionist	9,787
2010-TW-AX-0056		
	Prosecutor	13,222
	Probation Officer	8,586
	Lead Advocate	5,206
Total Unallowable Fringe Costs:		\$ 81,068

Source: ENIPC accounting records; OJP’s Grants Management System

We recommend that the OVW remedy the \$347,578 in unallowable payroll expenditures and the additional \$81,068 in unallowable fringe benefit expenditures.

Training and Travel Costs

Grant recipients must receive prior approval from the OVW before using grant funds to attend any training, workshops, or conferences not sponsored by the OVW. To request approval, grantees must submit a GAN through OJP’s Grants Management System to the OVW with a copy of the event’s brochure, curriculum, agenda, a description of the hosts or trainers, and an estimated breakdown of costs. The GAN request should be submitted to the OVW at least 20 days before registration for the event is due.

In our initial testing of direct costs, we identified expenditures for training and associated travel not sponsored by the OVW, and which had not been pre-approved as required by the OVW. Therefore, we expanded our testing of training costs to include all training costs, and associated travel costs including flights, hotels, and other incidentals as reported on the ENIPC’s reimbursement forms. As a result of our review, we identified significant unsupported and unallowable questioned costs, as detailed in Exhibits 5 and 6 below.

We identified \$13,970 in training and associated travel costs that ENIPC officials stated were for training provided by the OVW. However, sufficient documentation to support these claims was not provided. Therefore, we question the costs as unsupported.

EXHIBIT 5: UNSUPPORTED TRAINING COSTS

GRANT No.	UNSUPPORTED COSTS
2005-WH-AX-0071	\$ 1,042
2006-WL-AX-0029	-
2007-TW-AX-0063	-
2008-TW-AX-0036	7,627
2010-TW-AX-0056	5,301
2010-WH-AX-0057	-
Total Unsupported Training / Travel Costs:	\$ 13,970

Source: ENIPC accounting records; OJP's Grants Management System

We identified an additional \$83,328 in unallowable training and associated travel costs. These training events were not sponsored by the OVW, and were not pre-approved by the OVW as required by the Special Conditions of the awards.

EXHIBIT 6: UNALLOWABLE TRAINING COSTS

GRANT No.	UNALLOWABLE COSTS
2005-WH-AX-0071	\$ 8,030
2006-WL-AX-0029	29,569
2007-TW-AX-0063	32,972
2008-TW-AX-0036	8,573
2010-TW-AX-0056	4,184
2010-WH-AX-0057	-
Total Unallowable Training / Travel Costs:	\$ 83,328

Source: ENIPC accounting records; OJP's Grants Management System

We recommend that the OVW remedy the \$13,970 in unsupported training and associated travel costs, and the additional \$83,328 in unallowable training and associated travel costs.

Insurance Costs

Our review of the budget narratives for each award revealed that insurance costs were only approved for Grant Nos. 2006-WL-AX-0029 and 2008-TW-AX-0036. However, we identified property, automobile, and liability insurance costs charged against every award included in this audit. Specifically, we identified \$15,011 in payments made for property, liability, and automobile insurance which were not in the approved budgets, as shown below.

EXHIBIT 7: UNALLOWABLE INSURANCE COSTS

GRANT No.	INSURANCE CHARGES
2005-WH-AX-0071	\$ 1,421
2007-TW-AX-0063	6,547
2010-TW-AX-0056	6,178
2010-WH-AX-0057	865
Total Unallowable Insurance Costs:	\$ 15,011

Source: ENIPC accounting records; OJP's Grants Management System

The *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* state that award recipients should initiate a GAN for a budget modification for changes in scope, duration, activities, or other significant areas. We recommend that the OVW remedy the \$15,011 in unallowable insurance charges.

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 ENIPC received an approved indirect cost rate for fiscal years 2006 to present, and budgeted indirect costs for each award in this audit. Each OVW approved budget contains a total amount which may be charged to indirect costs, and both the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that pre-approval be obtained before transferring money into or out of the indirect cost category. We compared total indirect expenditures to the final amounts which had been approved by the OVW. As shown below, we determined that the ENIPC had exceeded the allowable total for indirect costs for each closed grant in this audit.

EXHIBIT 8: INDIRECT COST BUDGET ANALYSIS

GRANT No.	TOTAL INDIRECT COSTS APPROVED	TOTAL INDIRECT COSTS CHARGED	DIFFERENCE
2005-WH-AX-0071	\$ 85,109	\$ 91,394	\$ 6,285
2006-WL-AX-0029	134,706	139,631	4,925
2007-TW-AX-0063	103,886	110,507	6,621
2008-TW-AX-0036	138,513	145,819	7,306
Total Unallowable Indirect Costs:			\$25,137

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

We recommend that the OVW remedy the \$25,137 in unallowable indirect cost expenditures.

Budget Management and Control

For each grant, the ENIPC received an approved budget broken down by categories including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, and Other. If changes are subsequently made, the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that the recipient initiate a GAN for budget modification if the proposed cumulative change to direct expenditures is greater than 10 percent of the total award amount.

We conducted detailed analysis of direct expenditures by budget category as identified by the ENIPC, and determined that the ENIPC was cumulatively over budget in the Personnel, Fringe Benefits, and Supplies categories for Grant No. 2005-WH-AX-0071 for a total of \$7,174 in excess of the 10 percent which is allowable by the granting agency:

EXHIBIT 9: GRANT NO. 2005-WH-AX-0071 BUDGET ANALYSIS

BUDGET CATEGORY	AMOUNT BUDGETED	AMOUNT EXPENDED	AMOUNT OVER BUDGET
Personnel	\$ 150,480	\$ 200,723	\$ 50,243
Fringe Benefits	34,572	40,896	6,324
Travel	34,497	26,538	-
Equipment	6,100	-	-
Supplies	11,520	17,427	5,907
Contractual	48,820	11,480	-
Other	181,902	164,542	-
Total Over Budget Amount of Direct Expenditures			62,474
Allowable 10% of Total Project Costs			55,300
TOTAL UNALLOWABLE AMOUNT:			\$ 7,174

Source: ENIPC accounting records; OJP's Grants Management System.

We recommend that the OVW remedy the \$7,174 in unallowable budget transfers.

Grant Reporting

We reviewed the Federal Financial Reports (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* and the *2012 OVW Financial Grants Management Guide*.

Financial Reporting

The *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that grant recipients report expenditures online using the SF-425 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* and the *2012 OVW Financial Grants Management Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period, including cumulative data, on each financial report. As shown below we determined that financial reporting was inaccurate in 6 of the 24 reports we reviewed.

**EXHIBIT 10: FEDERAL FINANCIAL REPORT EXPENDITURE
ACCURACY**

REPORT No.	REPORT PERIOD FROM - TO DATES	CUMULATIVE GRANT EXPENDITURES PER REPORT	CUMULATIVE GRANT EXPENDITURES PER ACCOUNTING RECORDS	DIFFERENCE BETWEEN REPORT & ACCOUNTING RECORDS
Grant No. 2005-WH-AX-0071				
22	10/01/10 - 12/31/10	\$ 533,871	\$ 533,871	-
23	01/01/11 - 03/31/11	553,000	553,000	-
24	04/01/11 - 06/30/11	553,000	553,000	-
25	07/01/11 - 08/31/11	553,000	553,000	-
Grant No. 2006-WL-AX-0029				
16	04/01/10 - 06/30/10	\$ 796,448	\$ 799,853	\$ (3,405)
17	07/01/10 - 09/30/10	843,475	843,475	-
18	10/01/10 - 12/31/10	898,975	901,242	(2,267)
19	01/01/11 - 03/31/11	900,000	900,000	-
Grant No. 2007-TW-AX-0063				
12	04/01/10 - 06/30/10	\$ 555,607	\$ 560,207	\$ (4,601)
13	07/01/10 - 09/30/10	630,237	630,237	-
14	10/01/10 - 12/31/10	675,000	680,185	(5,185)
15	01/01/11 - 03/31/11	675,000	675,000	-
Grant No. 2008-TW-AX-0036				
10	10/01/10 - 12/31/10	\$ 724,190	\$ 737,250	\$ (13,060)
11	01/01/11 - 03/31/11	842,008	842,008	-
12	04/01/11 - 06/30/11	896,379	906,580	(10,201)
13	07/01/11 - 09/30/11	900,000	900,000	-
Grant No. 2010-TW-AX-0056				
4	07/01/11 - 09/30/11	\$ 278,761	\$ 278,761	-
5	10/01/11 - 12/31/11	431,287	431,287	-
6	01/01/12 - 03/31/12	580,960	580,960	-
7	04/01/12 - 06/30/12	748,355	748,355	-
Grant No. 2010-WH-AX-0057				
4	07/01/11 - 09/30/11	\$ 58,322	\$ 58,322	-
5	10/01/11 - 12/31/11	81,246	81,246	-
6	01/01/12 - 03/31/12	102,940	102,940	-
7	04/01/12 - 06/30/12	122,071	122,071	-

Source: ENIPC accounting records; OJP's Grants Management System.

We contacted ENIPC officials to determine the reason for the inaccurate reporting, and determined that the expenses in question were identified after the quarter was closed and the FFR had been filed. As shown above, all expenses were rectified in the following reporting period. We make no recommendations in this area.

Progress Reports

According to the *OJP Financial Guide* and the *2012 OVW Financial Grants Management 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. As shown below, we identified discrepancies related to Grant Nos. 2010-TW-AX-0056 and 2010-WH-AX-0057.

EXHIBIT 11: CATEGORICAL ASSISTANCE PROGRESS REPORT HISTORY

REPORT No.	REPORT PERIOD FROM - To DATES	DUE DATE	DATE SUBMITTED	DAYS LATE
Grant No. 2010-TW-AX-0056				
1	07/01/10 - 12/31/10	01/30/11	01/03/11	0
2	01/01/11 - 06/30/11	07/30/11	07/05/11	0
3	07/01/11 - 12/31/11	01/30/12	02/02/12	3
4	01/01/12 - 06/30/12	07/30/12	07/02/12	0
Grant No. 2010-WH-AX-0057				
1	07/01/10 - 12/31/10	01/30/11	01/03/11	0
2	01/01/11 - 06/30/11	07/30/11	07/05/11	0
3	07/01/11 - 12/31/11	01/30/12	07/02/12	154
4	01/01/12 - 06/30/12	07/30/12	07/02/12	0

Source: OJP's Grants Management System; *OJP Financial Guide*; *2012 OVW Financial Grants Management Guide*.

As the report for Grant Number 2010-TW-AX-0056 was only 3 days late, we do not take issue with the submission. However, we contacted the ENIPC Program Director to determine the reason for the late submission associated with Grant No. 2010-WH-AX-0057. The Program Director provided us with correspondence between the ENIPC and the OVW which demonstrated that the report had been uploaded to OJP's Grants Management System on February 6, 2012, but not formally submitted. Therefore, OJP's Grants Management System did not recognize the report, and the OVW Grant Manager was not able to review it. We determined that the report submitted 154 days late was an isolated incident, and we make no recommendations regarding progress report timeliness.

We also reviewed the progress reports for accuracy. According to the *OJP Financial Guide* and the *2012 OVW Financial Grants Management 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 the two most recent progress reports for each

award to determine the accuracy of the accomplishments and statistical data reported.⁶

In order to verify the information reported, we selected a sample of data from the last two progress reports submitted for each grant and traced it to supporting documentation maintained by ENIPC officials. For Grant No. 2005-WH-AX-0071, we requested verification in areas concerning: (1) victim perception of risk of violence upon exiting the housing unit provided by the ENIPC; (2) follow-up support services; (3) the number of victims, children, and other dependents not served or only partially served due solely to the lack of available housing; (4) and, the total number of transitional housing nights of shelter provided. The ENIPC Program Director provided extensive documentation to support the claims made on the progress reports, and we determined that the claims were generally supported. However the Program Director disclosed that the total number of transitional housing nights of shelter provided on Progress Report No. 12 was overstated, as during that reporting period the ENIPC had begun funding the unit using Grant No. 2010-WH-AX-0057. While we stress the need for accurate reporting, we do not make an overall recommendation in this area as we determined that the issue did not appear to be ongoing.

For Grant No. 2006-WL-AX-0029, we requested verification in areas including: (1) victim services provided by lawyers and other staff, (2) pending and new legal issues, (3) the number of victims/survivors served, and (4) victim services provided by grant funded lawyers. In addition to reviewing the documentation provided by the Program Director, we also contacted the ENIPC's Probation Officer to verify accomplishments. Both individuals provided documentation to support the claims as reported on the progress reports. We reviewed documentation including legal assistance forms, orders of protection, safety plans, case files, client logs, and referrals and determined that claims on the progress reports were generally supported.

For the Tribal Government awards (Grant Nos. 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056), we requested verification in areas including, but not limited to: (1) staff, (2) outreach activities, (3) offenders, (4) probation issues, (5) victim services, (6) training, and (7) support services. We reviewed documentation including personnel records, training agendas, sign-in sheets, counseling records, transportation logs, orders of protection, offender data sheets, housing records, and case management details. We determined that the claims on the progress reports were generally supported.

⁶ For Grant Number 2005-WH-AX-0071, we used Progress Report Nos. 11 and 12 as Report No. 13 was not required.

Finally, for Grant No. 2010-WH-AX-0057 we requested verification in areas including: (1) housing services, (2) support services, (3) housing units funded, and (4) victims served. We reviewed documentation related to the housing units and the victims receiving services and determined that the claims on the progress reports were generally supported.

In summary, we determined that valid and auditable source documentation was provided for the statistical and performance related information in our sample, and we did not identify significant 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 a sample of verifiable special conditions to determine if the ENIPC was in compliance with grant requirements, and determined that the ENIPC was not in compliance with the following special conditions:

- The grantee agrees to submit one copy of all reports and proposed publications funded by this agreement 20 days prior to public release for OVW review and approval. Prior review and approval of a report or publication is required if project funds are to be used to publish or distribute reports and publications developed under this grant.
- All materials and publications (written, visual, or sound) resulting from award activities shall contain the following statements: "This project was supported by Grant No. _____ awarded by the Office on Violence Against Women, U.S. Department of Justice. The opinions, findings, conclusions, and recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice, Office on Violence Against Women."
- The grantee agrees to work with the OVW-sponsored technical assistance provider to develop rules, policies, and procedures. The grantee agrees to submit the final policies, procedures, and rules to the OVW for review and approval.

We contacted the ENIPC Program Director to determine the reason why the above special conditions had not been adhered to, and found that the Program Director was unaware that the conditions existed. We recommend that the OVW ensure that publications are submitted for OVW approval as required. We also recommend that the OVW ensure that those publications contain any disclaimers required by the OVW. We make no recommendations related to the final item above, as the ENIPC submitted

the policies and procedures to the OVW for approval during the course of our audit.

Program Performance and Accomplishments

The purpose of the grants awarded to the ENIPC is dependent upon the grant program. As previously noted, the ENIPC received grants under the OVW's Housing Program, Legal Program, and Tribal Program.

The Housing Program focuses on a holistic, victim-centered approach to provide transitional housing services that move individuals into permanent housing. The primary purpose of the Housing Program is to provide assistance to minors, adults, and their dependents who are homeless, or in need of transitional housing or other housing assistance, as a result of fleeing a situation of domestic violence; and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient. Grant Nos. 2005-WH-AX-0071 and 2010-WH-AX-0057 were awarded under the Housing Program.

The purpose of the Legal Program is to strengthen civil and criminal legal assistance for victims of sexual assault, stalking, domestic violence, and dating violence through innovative, collaborative programs. These programs provide victims with representation and legal advocacy in family, immigration, administrative agency, or housing matters; protection or stay-away order proceedings; and other similar matters. The Legal Program increases the availability of civil and criminal legal assistance in order to provide effective aid to victims who are seeking relief in legal matters arising because of abuse or violence. Grant No 2006-WL-AX-0029 was made under the Legal Program.

The Tribal Program has multiple goals, and awards funds to develop and enhance effective plans for tribal governments to respond to violence committed against Indian women; strengthen the tribal criminal justice system; improve services available to help Indian women who are victims of violence; create community education and prevention campaigns; address the needs of children who witness domestic violence; provide supervised visitation and safe exchange programs; provide transitional housing assistance; and, provide legal advice and representation to survivors of violence who need assistance with legal issues caused by the abuse or the violence they suffered. Grant Nos. 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056 were awarded under the Tribal Program.

In order to assess program performance and accomplishments, we judgmentally selected two goals from each original award and from each supplement to that award, if applicable. We requested that the ENIPC provide evidence demonstrating that the goals and objectives of the award

had been met, or are sufficiently in progress. The goals selected for testing from each award are as follows:

- Grant No. 2005-WH-AX-0071: (1) Hire the staff members necessary to provide transitional living services; (2) provide two transitional living units; (3) provide transitional housing services to two victims of domestic violence, dating violence, sexual assault, and/or stalking who meet program eligibility guidelines; and (4) provide support services designed to enable individuals who are fleeing domestic violence, dating violence, sexual assault, or stalking to locate and secure permanent housing.
- Grant No. 2006-WL-AX-0029: (1) Hire staff members necessary to provide legal services; (2) provide community legal education events; (3) provide direct comprehensive legal services to sexual assault, stalking, domestic violence and dating violence victims; and (4) collaborate with community partners to provide quality representation to victims of domestic violence, dating violence, sexual assault, and stalking.
- Grant No. 2007-TW-AX-0063: (1) Increase the ability of tribal law enforcement and court personnel to respond to domestic violence, sexual assault, stalking and dating violence committed against Indian women, and (2) improve services that are available to help victims of domestic violence, dating violence, sexual assault, elder abuse, and stalking.
- Grant No. 2008-TW-AX-0036: (1) Strengthen the tribal criminal justice system to hold offenders accountable, and (2) provide comprehensive and culturally competent advocacy services to victims of domestic violence, sexual assault, dating violence or stalking to Native Americans, or their partners.
- Grant No. 2010-TW-AX-0056: (1) Present advanced law enforcement training, and (2) present workshops to promote intervention techniques, the positive impact of traditional Native American practices with emphasis on sanctity of women and children, and collaboration with behavioral health services.
- Grant No. 2010-WH-AX-0057: (1) Continue and increase support services offered to clients of domestic violence, dating violence, sexual assault, or stalking, and; (2) continue the culturally competent staff to provide services throughout the project period to victims of domestic violence, stalking, sexual assault, and dating violence.

To determine if the goals and objectives of each award had been achieved, we conducted interviews with the ENIPC Program Director and Transitional Housing Director, reviewed source documentation, and contacted an ENIPC partner. ENIPC officials were able to support their claims of achievement pertaining to the goals stated above. We found no indication that the ENIPC 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. Award recipients must also provide a cash reconciliation, make the final drawdown, and submit all required final reporting to the granting agency. We determined that four of the six grants in this audit have reached their closeout date.

EXHIBIT 12: CLOSEOUT STATUS OF GRANTS AWARDED TO THE ENIPC

AWARD No.	PROJECT START DATE	PROJECT END DATE	REQUIRED PROJECT CLOSEOUT DATE	CLOSEOUT STATUS PER OJP GRANTS MANAGEMENT SYSTEM
2005-WH-AX-0071	09/01/05	08/31/11	11/30/11	Final Approved
2006-WL-AX-0029	07/01/06	03/31/11	06/30/11	Final Approved
2007-TW-AX-0063	09/01/07	02/28/11	05/30/11	Final Approved
2008-TW-AX-0036	08/01/08	07/31/11	10/30/11	Final Approved

Source: OJP's Grants Management System.

We did not identify any exceptions related to reporting or drawdown activity. However, for Grant No. 2005-WH-AX-0071, we determined that \$11 had been transferred to Grant No. 2010-WH-AX-0057, and for Grant No. 2007-TW-AX-0063 we determined that \$267 had been transferred to Grant No. 2008-TW-AX-0036. The *OJP Financial Guide* requires that award recipients report the amount of federal funds returned (unobligated balance of federal funds) on line 10(h) of the final SF-425. Any unobligated or unexpended funds are to be de-obligated from the award amount. We consider the amounts to be immaterial, and we make no financial recommendations in this area. However, to eliminate the potential for future unallowable transfers, we recommend that the OVW ensure that any unobligated / unexpended funds are returned to the awarding agency as required.

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 ENIPC's accounting records, financial and progress reports, and operating policies and procedures, and found:

- there was no process in place to effectively ensure that charges to the grants are allowable;
- \$347,578 in unallowable payroll costs for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$81,068 in unallowable fringe costs for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$13,970 in unsupported training and travel costs for Grant Nos. 2005-WH-AX-0071, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$83,328 in unallowable training and travel costs for Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, 2008-TW-AX-0036, and 2010-TW-AX-0056;
- \$15,011 in unallowable property, automobile, and liability insurance charges for Grant Nos. 2005-WH-AX-0071, 2007-TW-AX-0063, 2010-TW-AX-0056, and 2010-WH-AX-0057;
- \$25,137 in indirect cost charges in excess of the amount approved by the OVW for Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, and 2008-TW-AX-0036;
- \$7,174 in unallowable budget transfers for Grant No. 2005-WH-AX-0071;
- publications were not pre-approved as required by the OVW;
- ENIPC did not ensure that publications contained the required language from the OVW,
- Transitional Housing Policies and Procedures were not submitted to the OVW for approval as required, and;

- unallowable transfers between awards at closeout.

We recommend that the OVW coordinate with the ENIPC to:

1. Implement policy to ensure that charges to the grants are allowable by the OVW.
2. Remedy the \$347,578 in unallowable payroll costs.
3. Remedy the \$81,068 in unallowable fringe costs.
4. Remedy the \$13,970 in unsupported training and travel costs.
5. Remedy the \$83,328 in unallowable training and travel costs.
6. Remedy the \$15,011 in unallowable property, automobile, and liability insurance charges.
7. Remedy the \$25,137 in unallowable indirect cost charges.
8. Remedy the \$7,174 in unallowable budget transfers.
9. Ensure that grant funded publications are submitted to the OVW for approval as required.
10. Ensure that publications made possible by grant funds include the required disclaimer.
11. Ensure that unobligated grant funds are returned to the OVW as required.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our 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) financial status and progress reports, (6) compliance with grant requirements, (7) program performance and accomplishments, and (8) closeout activity. We determined that property management, matching, 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*, the *2012 OVW Financial Grants Management Guide*, and the award documents.

Our audit concentrated on, but was not limited to, September 12, 2005, the award date for Grant No. 2005-WH-AX-0071, to August 24, 2012, the day our field work concluded. This was an audit of OVW Grant Nos. 2005-WH-AX-0071, 2006-WL-AX-0029, 2007-TW-AX-0063, 2008-TW-AX-0036, 2010-TW-AX-0056, and 2010-WH-AX-0057. The ENIPC has drawn a total of \$3,917,804 in grant funds as of August 14, 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 reporting, progress reports, compliance with grant requirements, and program performance and accomplishments. 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, indirect costs, budget management and controls, and closeout activity. 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.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>PAGE</u>
Unallowable Costs:		
Unallowable Payroll	\$347,578	8
Unallowable Fringe Benefits	81,068	10
Unallowable Training and Travel	83,328	11
Unallowable Insurance	15,011	11
Unallowable Indirect Costs	25,137	12
Unallowable Budget Transfers	7,174	13
Total Unallowable Costs	\$559,296	
Unsupported Costs:		
Unsupported Training and Travel	\$13,970	11
Total Unsupported Costs	\$13,970	
Total Questioned Costs⁷	\$573,266	

⁷ **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.

**EIGHT NORTHERN INDIAN PUEBLOS COUNCIL
RESPONSE TO THE DRAFT AUDIT REPORT****Eight Northern Indian Pueblos Council, Inc.
Responses to DOJ Audit Report****Internal Control Environment**

ENIPC has proper and thorough internal policy and controls to assure that grant costs are allowable and in accordance with grant awards. ENIPC management and the Peacekeepers' program director will work to ensure the internal policy and controls are followed. ENIPC will seek direction from our DOJ/OVW program officer when we have concerns about charges before we incur the expense. ENIPC disputes the finding that we have no process in place as our internal controls are well documented and revealed no material weakness in the annual A-133 audit.

Unallowable Payroll

The finding for the payroll cost is a difference between the position title in our payroll and the position name in the grant proposal and budgets. Additionally, the finding is based on a difference of opinion of whether or not a GAN is needed for temporary personnel assignments. ENIPC did not charge salary of an employee to a grant that didn't work on the goals and objectives of a particular grant. During vacancies ENIPC had employees that were qualified to perform like and related duties that are compatible with their own. The employee had the skills, background, education and qualities to perform the vacant position.

Employees' titles in the payroll records do not always match the position in a grant. The job descriptions and the duties performed are what matters. Our employees are selected and matched with the skills that are required to perform the position's duties in the grant. During a vacancy an administrative assistant position's duties were temporarily covered by the receptionist to allow the grant work to continue. The individuals were well qualified to temporarily cover the positions. Hiring temporary workers to perform highly skilled positions requires extensive training and creates other issues. It is better to have a trained staff member who is familiar with the program cover the duties during vacancies. No extensive training is required and work on the award's objectives continue.

Grant No. 2005-WH-AX-0071:

The program administrative assistant performed duties for the transitional housing position. Many of duties that are required by this position in the grant are clerical in nature and can be performed by the administrative assistant. Duties such as arranging temporary housing for the victim and their family, writing up requests for payment for recurring payments for the housing units and related expenses, creating requests for payment for vouchers for emergency expense for victims, and helping the victim advocates getting the victims and their family to temporary housing. There was no change in scope of work, duration, activities, or other significant areas covered by the grant. Grant funds were continued to be used for

the specific purpose of the grant. The position does not qualify as key personnel; the transitional housing position is not the program manager. ENIPC has the right to assign qualified personnel to a grant position due to vacancies in the interest of providing continued services.

ENIPC disputes the finding and firmly believes that the replacement individual was just a temporary replacement and not a new position. No GAN was required as the activities nor the scope of work changed.

Grant No. 2007-TW-AX-0063:

The Peacekeeper program requested and employed two Batterer's Reeducation Coordinators from the end of January 2010 until the grant ended. The GAN entered was for two positions. Both staff members were required to perform the duties of the batterer's reeducation program and performed the required duties that were needed to accomplish the grant's goals and objectives.

ENIPC disputes this finding and maintains its position that these individuals were required and did complete the goals and objectives of the grant. No GAN was required due to no change in the scope of work or activities.

The Receptionist replaced the Administrative Assistant on this grant after the Administrative Assistant's employment with ENIPC ended. The duplication the audit refers to is one pay period in which the former employee was paid for accrued time and the new employee was paid for time worked. Both individuals were not employed at the same time nor performed the same duties. No GAN was required and an equally qualified individual replaced another individual and no change in the scope of work or activities occurred. ENIPC has the discretion to use employees with like skills on grants when a vacancy occurs.

Grant No. 2008-TW-AX-0036:

ENIPC used current employees to assume duties of vacant positions when needed.

The Grants Manager/Advocate, Prosecutor, and Community Coordinator filled in with required duties of the vacant advocate position. These individuals were performing duties as approved by OVW. There was no material change in duties, scope of work, duration, activities, or other significant areas of the grant by ENIPC using these skilled individuals. Hiring a temporary worker to perform advocate duties requires extensive training and creates other issues. It is better to have a trained staff member who is familiar with the program cover the duties during vacancies.

ENIPC disputes this finding and maintains its position that the replacement individuals were just temporary replacements and not new positions, so no GAN

was required. This is further evidenced by the fact these employees remained in those positions for a limited number of pay periods.

The receptionist met the requirements to assume the duties of the vacant program secretary; a GAN was not required. Additionally, in support of above there was no change in scope of work, duration, activities, or other significant areas as outlined in the grant.

ENIPC disputes this finding and maintains its position that the replacement individual was just a temporary replacement and not a newly created position.

Grant No. 2010-TW-AX-0056

The advocate positions were vacant and ENIPC chose to use the prosecutor and probation officer to assume the duties of these vacant positions temporarily. Again, these individuals were performing duties approved by DOJ/OVW. ENIPC disputes this finding and maintains its position that the replacement individuals were not for new positions. No GAN was required.

The Lead Advocate worked as the Community Outreach Coordinator for a short time and the payroll title was not changed. Again, no GAN was necessary for this temporary placement. There was no material change in duties, scope of work, duration, activities, or other significant areas of the grant by ENIPC using this qualified individual. Hiring a temporary worker to perform advocate duties requires extensive training and creates other issues. It is more efficient to have a trained staff member who is familiar with the program cover the duties during a vacancy.

ENIPC disputes this finding on this position and maintains its position that the replacement individual was not a newly created position.

Summary

ENIPC maintains their prerogative to move qualified individuals into positions without a title change to cover vacancies and accomplish the objectives of the grants. ENIPC management has the right to choose the correct, trained, and skilled employee to perform the duties of approved positions in order to accomplish the goals and objectives of the awards. ENIPC views these disputed payroll amounts as allowable.

Unallowable Fringe Benefit

ENIPC contends the disputed fringe benefit amounts related to the disputed payroll amounts are allowable. The fringes associated with the disputed payroll amounts were necessary to employ the qualified individuals that filled vacancies. There was no material change in duties, scope of work, duration, activities, or other significant areas of the grant by ENIPC using these qualified individuals; thus, no GAN would be required.

Hiring temporary workers to perform required duties would demand extensive training and creates other issues. It is better to have a trained staff member who is familiar with the program cover duties when vacancies occur.

ENIPC disputes this finding and again maintains its position that replacement individuals were not newly created positions.

Unsupported Training Costs

ENIPC provided the support for requested costs and these costs were reasonable and necessary to accomplish the goals of the grants. Additionally, ENIPC made efforts to get approval from the DOJ/OVW project officer and our calls and emails were never answered. New and innovative methods to deal with domestic violence are put forward on a continuing basis. ENIPC has worked to keep the staff of Peacekeepers up to date on the latest, most progressive and safest methods to protect the victims we engage with. These disputed training costs were necessary to perform the objectives of the grant and to continue to support the victims and their families using the best methodology. Staff attended trainings to stay abreast of the changes in any legal requirement and methods of support for victims. ENIPC disputes this finding. Their related costs were required to perform the objectives of the award.

Unallowable Training Costs

ENIPC contends these costs were reasonable and necessary to accomplish the goals of the grants. ENIPC made efforts to get approval from the DOJ/OVW project officer and our calls and emails were never answered. Peacekeepers' staff needs to continually stay up to date with training to support the victims and understand the changes in the legal environment. New and innovative methods on how to deal with domestic violence are taught on a continuing basis. ENIPC has worked to keep the staff of Peacekeepers educate on the latest, progressive and safest methods to protect the victims we engage with. Much of the training available to our staff is culturally sensitive and has been evolving for several years. ENIPC sought OVW support in these training efforts but did not receive it. There was no material change in duties, scope of work, duration, activities, or other significant areas of the grant by ENIPC. The disputed trainings and related travel expenses were necessary to support the grant award. ENIPC disputes this finding and remains firm on its justification.

Unallowable Insurance Costs

ENIPC policy is that grant programs must cover the general liability insurance and auto insurance based on their portion of the revenue rating for general liability and the direct cost to insure program vehicles. The program director again was not able to get the GAN entered as the OVW program officer never returned phone calls or answered emails. ENIPC believes this cost to be normal, customary, reasonable, necessary and allowable in the normal course of doing business. There was no material change in the scope of work, duration, activities, or other significant areas of the grant by ENIPC paying for insurance

to ensure the grant objectives were met. Additionally, these were normal, allowable expenditures in years past never challenged by OVW. This finding is disputed.

Unallowable Indirect Costs

ENIPC did calculate correctly indirect costs in accordance and as approved by the National Business Center and HHS indirect agreements. It is been ENIPC's understanding that the agreement on our negotiated indirect cost rate is accepted by all our funding agencies. We state this because indirect cost rate agreement is part of the grant application and approved awards. New negotiated rates are to be charged based on the indirect cost agreement. Multiple year grants are charged for the approved negotiated indirect cost rate based on the dates set in the indirect cost agreements. Indirect negotiations have been simplified so that grantees have only one agency to negotiate an agreement with. ENIPC applied the approved indirect cost rates to the DOJ awards. The approved rate was and is determined by either the National Business Center or HHS. DOJ may not agree with the rate, but never challenged the rate. Hence, ENIPC contends that indirect cost rates and costs charged to the awards are allowable. ENIPC disputes this finding because DOJ does not set the indirect rate and there was no material change in the scope of work, duration, activities, or other significant areas of the grant by ENIPC charging the approved negotiated rate.

Budget Management and Control

ENIPC would have submitted a GAN for the budget adjustments needed to accomplish the goals and objectives of 2005-WH-AX-0071 if staff had direction from the program officer. The costs were necessary and reasonable in respect to the funding needed to support the grant. This finding is worded in a way to make it look as though ENIPC has over-spent the grant award. ENIPC management transferred under-spent funds in different direct cost categories to support the functions of staff on the project. We increased personnel, fringes and supplies to provide the needed funds to meet the goals and objectives of this grant. Without the transfer of these funds we may have failed to meet the award objectives. There were no material changes in duties, scope of work, duration, activities, or other significant areas of the grant by ENIPC moving those funds. ENIPC disputes this finding based on program needs and objectives being met.

Closeout Activity

The program officer never contacted ENIPC personnel regarding close-out policies, requirements, or concerns. On Grant No. 2005-WH-AX-0071, the transfer of \$267 was a bookkeeping correction. Indirect cost posting for the two grants, 2010-WH-AX-0057 and 2007-TW-AX-0063 were in error, and recorded in the general ledger to the wrong grant which was 2005-WH-AX-0071. ENIPC is fully aware of the need to correctly record and report financial information and we have checks and balances in place to detect errors and correct those errors before we certify a close-out on a grant award. In this finding, the transfer was a correction and not a transfer to move unobligated funds.

Management will ensure in the future if there are any unobligated grant funds held by ENIPC they will be returned to DOJ/OVW at close-out. In this finding ENIPC contends there were no unobligated funds.

Ra

OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice
Office on Violence Against Women

Washington, DC 20530

January 15, 2013

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Bea Hanson *BH*
Acting Director
Office on Violence Against Women

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women
Grants Awarded to the Eight Northern Indian Pueblos Council, Inc.,
Peacekeepers, San Juan Pueblo, New Mexico

This memorandum is in response to your correspondence dated December 10, 2012 transmitting the above draft audit report for Eight Northern Indian Pueblos Council. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains eleven recommendations which include \$13,970 in unsupported costs and \$559,296 in unallowable costs. The Office on Violence Against Women (OVW) agrees with the recommendations and 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. **Implement policy to ensure that changes to the grants are allowable by the OVW.**

We agree with this recommendation. We will coordinate the grantee to implement policy to ensure that changes to the grants are allowable.

2. **Remedy \$347,578 in unallowable payroll costs.**

We agree with this recommendation. We will coordinate with the grantee to remedy the \$347,578 in unallowable payroll costs.

3. **Remedy \$81,068 in unallowable fringe costs.**

We agree with this recommendation. We will coordinate with the grantee to remedy the \$81,068 in unallowable fringe costs.

4. **Remedy the \$13,970 in unsupported training and travel costs.**

We agree with this recommendation. We will coordinate with the grantee to remedy the \$13,970 in unsupported training and travel costs.

5. **Remedy \$83,328 in unallowable training and travel costs.**

We agree with this recommendation. We will coordinate with the grantee to remedy \$83,328 in unallowable training and travel costs.

6. **Remedy \$15,011 in unallowable property, automobile, and liability insurance charges.**

We agree with this recommendation. We will coordinate with the grantee to remedy \$15,011 in unallowable property, automobile, and liability insurance charges.

7. **Remedy \$25,137 in unallowable indirect cost charges.**

We agree with this recommendation. We will coordinate with the grantee to remedy \$25,137 in unallowable indirect cost charges.

8. **Remedy \$7,174 in unallowable budget transfers.**

We agree with this recommendation. We will coordinate with the grantee to remedy \$7,174 in unallowable budget transfers.

9. **Ensure that grant funded publications are submitted to the OVW for approval as required.**

We agree with this recommendation. We will coordinate with the grantee to ensure that grant funded publications are submitted to the OVW for approval as required.

10. **Ensure that publications made possible by grant funds include the required disclaimer.**

We agree with this recommendation. We will coordinate with the grantee to ensure that publications made possible by grant funds include the required disclaimer.

11. **Ensure that unobligated grant funds are returned to the OVW as required.**

We agree with this recommendation. We will coordinate with the grantee to ensure that unobligated grant funds are returned to the OVW as required.

We appreciate the opportunity to review and comment on the draft report. We will continue to work with the grantee, 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 Assistant Director
Audit Liaison Group
Justice Management Division

Angela Wood
Budget Officer
Office on Violence Against Women

Lorraine Edmo
Associate Director, Tribal
Office on Violence Against Women

**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 ENIPC and the OVW. The responses are incorporated into Appendixes III and IV of this final report. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

1. **Resolved.** The OVW concurred with our recommendation that the ENIPC implement policy to ensure that charges to the grants are allowable. In their response, OVW officials stated that that they will coordinate with the ENIPC to implement policy to ensure that changes to grants are allowable. In their response, ENIPC officials disputed that the ENIPC has “no process in place as our internal controls are well documented and revealed no material weakness in the annual A-133 audit.” Our report did not state that the ENIPC is lacking a policy; our report demonstrates that the policy is not being effectively implemented. The ENIPC stated that it “will work to ensure the internal policy and controls are followed.”

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to ensure that policy has been implemented to ensure that charges to the grants are allowable.

2. **Resolved.** The OVW concurred with our recommendation to remedy the \$347,578 in unallowable payroll costs. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable payroll costs. ENIPC officials provided additional explanation for the many instances in which they internally approved personnel changes or replacements, but did not dispute that they had not received pre-approval from the OVW. Rather, they noted that the “finding is based on a difference of opinion of whether or not a GAN is necessary for temporary personnel assignments.”

The opinion of ENIPC officials does not negate the fact that the *OJP Financial Guide* requires that award recipients initiate a Grant Adjustment Notice (GAN) for a budget modification for changes in scope, duration, activities, or other significant areas which include, but are not limited to, making changes to the organization or staff with primary responsibility for implementation of the award.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$347,578 in unallowable payroll expenditures.

3. **Resolved.** The OVW concurred with our recommendation to remedy the \$81,068 in unallowable fringe costs. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable fringe costs. ENIPC officials again noted that, in their opinion, a GAN would not have been required for the many instances of personnel changes. Again, the grantee's opinion does not negate policy established in the *OJP Financial Guide* or the award documentation.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$81,068 in unallowable fringe charges.

4. **Resolved.** The OVW concurred with our recommendation to remedy the \$13,970 in unsupported training and travel costs. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unsupported training and travel costs. ENIPC officials maintain that the training costs were necessary to perform the objectives of the grant. However, those officials did not provide documentation which supported the claim that the trainings were provided by the OVW.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$13,970 in unsupported training and travel costs.

5. **Resolved.** The OVW concurred with our recommendation to remedy the \$83,328 in unallowable training and travel costs. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable training and travel costs. ENIPC officials maintain that the costs were reasonable and necessary to accomplish the goals of the grants. Again, the opinion of ENIPC officials does not negate the fact that pre-approval is required by the granting agency for training events that are not sponsored by the OVW. It is the grantee's responsibility to read, understand, and adhere to the requirements of the award documentation.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$83,328 in unallowable training and travel costs.

6. **Resolved.** The OVW concurred with our recommendation to remedy the \$15,011 in unallowable property, automobile, and liability insurance charges. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable property, automobile, and liability insurance charges. ENIPC officials stated that “ENIPC policy is that grant programs must cover the general liability insurance and auto insurance based on their portion of the revenue rating for general liability and the direct cost to insure program vehicles,” and noted that the charges were included in other grant budgets. No costs were questioned for budgeted items. It is the responsibility of ENIPC to budget all necessary items and obtain agency approval for those items for each application it submits.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$15,011 in unallowable property, automobile, and liability insurance charges.

7. **Resolved.** The OVW concurred with our recommendation to remedy the \$25,137 in unallowable indirect cost charges. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable indirect cost charges. ENIPC officials did not address the charges which were in excess of the total indirect costs approved by the OVW. Rather, their response addressed the rate itself, while our recommendation is in regard to charges which exceed the budgeted amount approved by OVW. As stated in this report, each OVW approved budget contains a total amount which may be charged to indirect costs, and both the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that pre-approval be obtained before transferring money into or out of the indirect cost category. The ENIPC charged \$25,137 in excess of the amount which had been approved by the OVW without obtaining approval for the additional costs.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$25,137 in unallowable indirect cost charges.

8. **Resolved.** The OVW concurred with our recommendation to remedy the \$7,174 in unallowable budget transfers. In their response, OVW officials stated that they will coordinate with the grantee to remedy the unallowable budget transfers. ENIPC officials claim that they would have submitted a GAN for the budget adjustments needed to accomplish the goals and objectives of the award had they received direction from the OVW program manager. Those officials also state that our finding “is worded in a way to make it look as though ENIPC has over-spent the grant award.” We refer ENIPC officials to page 13

of this report, which discusses the issue and the recipient responsibilities related to budget transfers. At no point did the OIG make a statement, finding, or recommendation that the ENIPC had “overspent the award.” It is the recipient’s responsibility to read, understand, and adhere to the terms and conditions of the award.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to remedy the \$7,174 in unallowable budget transfers.

9. **Resolved.** The OVW concurred with our recommendation to ensure that grant funded publications are submitted to the OVW for approval as required. The OVW stated in its response that it will coordinate with the grantee to ensure that publications are submitted to the OVW for approval. ENIPC officials did not respond to this recommendation.

This recommendation can be closed when we receive evidence indicating that the OVW has coordinated with the ENIPC to ensure that grant funded publications are submitted to the OVW for approval as required.

10. **Resolved.** The OVW concurred with our recommendation to ensure that publications made possible by grant funds include the required disclaimer. The OVW stated in its response that it will coordinate with the grantee to ensure that publications include the required disclaimer. ENIPC officials did not respond to this recommendation.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to ensure that publications made possible by grant funds include the required disclaimer.

11. **Resolved.** The OVW concurred with our recommendation to ensure that unobligated grant funds are returned to the OVW as required. In their response, OVW officials stated that they will coordinate with the grantee to ensure that unobligated grant funds are returned to the OVW. ENIPC officials claimed that the transfers were the result of internal accounting errors. Additionally, those officials claimed that “The program officer never contacted ENIPC personnel regarding close-out policies, requirements, or concerns.” Again, it is the grantee’s responsibility to read, understand, and adhere to the terms and conditions of the award.

This recommendation can be closed when we receive evidence that the OVW has coordinated with the ENIPC to ensure that unobligated grant funds are returned to the OVW as required.