



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



**Audit of the Office on Violence
Against Women Tribal Governments
Program Grant Awarded to the
Reno Sparks Indian Colony
Reno, Nevada**

**AUDIT OF THE OFFICE ON VIOLENCE
AGAINST WOMEN TRIBAL GOVERNMENTS
PROGRAM GRANT AWARDED TO THE
RENO SPARKS INDIAN COLONY
RENO, NEVADA**

EXECUTIVE SUMMARY

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of Office on Violence Against Women (OVW) Tribal Governments Program grant 2012-TW-AX-0051, in the amount of \$450,000, that was awarded to the Reno Sparks Indian Colony (RSIC), in Reno, Nevada. As of May 31, 2014, the RSIC had expended 51 percent of the total amount awarded.

Table 1

OVW Grant Awarded to the Reno Sparks Indian Colony

AWARD NUMBER	AWARD START DATE	AWARD END DATE ¹	AWARD AMOUNT
2012-TW-AX-0051	10/01/12	09/30/2015	\$450,000
TOTAL			\$450,000

Source: OVW

The purpose of the OVW's Tribal Governments Program is to enhance the ability of tribes to respond to violent crimes against Indian women, enhance victim safety, and develop education and prevention strategies. Eligible applicants are federally-recognized tribes or an organization that is acting as the authorized designee of a federally-recognized Indian tribe.

The purpose of our audit was to determine whether costs claimed under grant 2012-TW-AX-0051 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, matching, and post end date activity were not applicable to the grant.

¹ The Award End Date includes all time extensions that were approved by OVW.

Based on our audit of RSIC, we found that RSIC generally complied with essential grant requirements except for the areas of expenditures and reporting. Specifically, RSIC:

- Incorrectly calculated indirect costs resulting in a \$137 overcharge.
- Inaccurately reported expenditures and indirect costs on its Federal Financial Reports resulting in incomplete and erroneous reporting.
- Included inaccurate statistical information on its Progress Reports.

As a result, we made three recommendations to OVW. Our findings are discussed in detail in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology are discussed in Appendix 1.

We discussed the results of our audit with RSIC officials and have included their comments in the report, as applicable. In addition, we requested from the RSIC and OVW written responses to a draft copy of our audit report. We received those responses and they are found in Appendices 2 and 3, respectively. Our analysis of those responses and the status of the recommendations are found in Appendix 4.

**AUDIT OF THE OFFICE ON VIOLENCE
AGAINST WOMEN TRIBAL GOVERNMENTS
PROGRAM GRANT AWARDED TO THE
RENO SPARKS INDIAN COLONY
RENO, NEVADA**

TABLE OF CONTENTS

INTRODUCTION	1
Background Information	1
OIG Audit Approach	2
FINDINGS AND RECOMMENDATIONS.....	4
Internal Control Environment	4
Drawdowns	5
Expenditures	5
Budget Management	7
Monitoring Contractors	7
Reporting.....	7
Additional Award Requirements	11
Program Performance and Accomplishments	11
Conclusion	12
Recommendations.....	12
APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY	13
APPENDIX 2: RENO SPARKS INDIAN COLONY RESPONSE TO DRAFT REPORT	15
APPENDIX 3: OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO DRAFT REPORT.....	17
APPENDIX 4: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE AUDIT REPORT	19

**AUDIT OF THE OFFICE ON VIOLENCE
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GRANT AWARDED TO THE
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INTRODUCTION

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of Office on Violence Against Women (OVW) Tribal Governments Program grant 2012-TW-AX-0051, in the amount of \$450,000, that was awarded to the Reno Sparks Indian Colony (RSIC), in Reno, Nevada. As of May 31, 2014, the RSIC had expended 51 percent of the total amount awarded.

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OVW Grant Awarded to the Reno Sparks Indian Colony

AWARD NUMBER	AWARD START DATE	AWARD END DATE¹	AWARD AMOUNT
2012-TW-AX-0051	10/01/12	09/30/2015	\$450,000
TOTAL			\$450,000

Source: OVW

Background Information

OVW's 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 of domestic violence, dating violence, sexual assault, and stalking. In carrying out its mission, OVW provides funding 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.

OVW's Tribal Governments Program enhances the ability of tribes to respond to violent crimes against Indian women, enhance victim safety, and develop education and prevention strategies. Eligible applicants are federally-recognized tribes or an organization that are acting as the authorized designee of a federally-recognized Indian tribe.

Established in the early 1900's, the RSIC membership includes 1,100 members from three Great Basin Tribes – the Paiute, Shoshone, and Washoe. Its reservation lands include a 28 acre colony in Reno, Nevada and 1,920 acres in Hungry Valley, Nevada. RSIC's primary sources of revenue are from its five "smoke shops" located through the Washoe Valley and its commercial land leases.

¹ The Award End Date includes all time extensions that were approved by OVW.

OIG Audit Approach

The purpose of our audit was to determine whether costs claimed under grant 2012-TW-AX-0051 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, matching, and post end date activity were not applicable to the grant.

We tested the RSIC's compliance with what we consider to be the most important conditions of the award. Unless otherwise stated in our report, the criteria we audited against are contained in the *OVW Financial Grants Management Guide*, grant requirements, Code of Federal Regulations (C.F.R.), and Office of Management and Budget (OMB) Circulars. Specifically, we tested:

- **Internal Control Environment** – to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard the funds awarded to the RSIC and ensure compliance with the terms and conditions of the grant.
- **Drawdowns** – to determine whether drawdowns were adequately supported and if the RSIC was managing award receipts in accordance with federal requirements.
- **Expenditures** – to determine whether costs charged to the grant, including payroll and fringe benefits were accurate, adequately supported, allowable, reasonable, and allocable. In addition, we tested expenditures related to the purchase of accountable property and equipment to determine whether the RSIC recorded accountable property and equipment in its inventory records, identified the source of the property, and utilized the accountable property and equipment consistent with the grant.
- **Budget Management** – to determine whether there were deviations between the amounts budgeted and the actual costs for each category.
- **Monitoring Contractors** – to determine if the RSIC provided adequate oversight of its contractors.
- **Reporting** – to determine if the required financial and programmatic reports were submitted on time and accurately reflected grant activity.

- **Additional Award Requirements** – to determine whether the RSIC complied with grant guidelines, special conditions, and solicitation criteria.
- **Program Performance and Accomplishments** – to determine whether the RSIC made a reasonable effort to accomplish stated objectives.

The results of our audit are discussed in detail in the Findings and Recommendations section of this report. The audit objective, scope, and methodology are discussed in Appendix 1. We discussed the results of our audit with RSIC officials and have included their comments in the report, as applicable. In addition, we requested from the RSIC and OVW written responses to a draft copy of our audit report. We received those responses and they are found in Appendices 2 and 3, respectively. Our analysis of those responses and the status of the recommendations are found in Appendix 4.

FINDINGS AND RECOMMENDATIONS

The RSIC generally complied with essential grant requirements except for the areas of expenditures and reporting. We found that the RSIC incorrectly calculated indirect costs and inaccurately reported expenditures and indirect costs on the Federal Financial Report (FFRs). Further, we found that the RSIC incorrectly reported some statistical data on its progress reports.

Internal Control Environment

We reviewed the RSIC's Single Audit Reports for fiscal year (FY) 2012 and its financial management system to assess the RSIC's risk of noncompliance with laws, regulations, guidelines, and terms and conditions of the award. We interviewed officials from the RSIC's Finance Department including its Chief Financial Officer, Payroll and Accounts Payable technicians, and the Contract and Grants manager regarding internal controls and processes related to payroll and accounting functions.

Single Audit

According to OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a Single Audit conducted annually. We reviewed RSIC's most recent Single Audits for FY 2012 issued on August 9, 2013, and found that the independent auditors issued an unqualified opinion without noting any material internal control weaknesses, deficiencies, or findings that directly or indirectly related to U.S. Department of Justice grants or awards. However, the independent auditors did note that FFRs were submitted late for other federal grants and that proof of income and the income recertification was not documented in some cases for another grant.

Financial Management System

The *OVW Financial Grants Management Guide* requires that all recipients "establish and maintain accounting systems and financial records to accurately account for funds awarded to them." The guide also requires that grantees separately account for each grant in order to prevent commingling of grant funds.

Overall, we found that the RSIC adequately maintained grant-related financial records and data in accordance with the *OVW Financial Grants Management Guide*. Based on our review of grant-related transactions that were recorded in an integrated fund accounting system, the RSIC's accounting system generally accounted for grant-related receipts and expenditures in an accurate manner.

Contracting

During our fieldwork, we noted that the RSIC had contracted for facilitator services for the OVW grant program. We reviewed the RSIC's contracting procedures, the executed contracts, and other contract-related documentation, and found that RSIC had complied with its contracting procedures. Additionally, we reviewed contract-related expenditures and supporting documentation and found no exceptions.

Drawdowns

According to the *OVW Financial Grants Management Guide*, grant recipients should only request funds based on immediate disbursement or reimbursement requirements. Further, recipients should time their drawdowns requests to ensure that federal cash on hand is the minimum needed for disbursements or reimbursements to be made immediately or within 10 days. According to a RSIC official, drawdowns were made on a reimbursement basis

We reviewed the drawdowns by comparing the total actual costs recorded in the general ledger against cumulative drawdowns as of May 31, 2014. As illustrated in Table 2, cumulative expenditures as reported on the grant general ledger were greater than cumulative drawdowns. As a result, we determined that drawdowns were made on a reimbursement basis.

Table 2
Analysis of Drawdown History as of May 31, 2014

AWARD NUMBER	DRAWDOWNS	CUMULATIVE EXPENDITURES	CUMULATIVE DIFFERENCES
2012-TW-AX-0051	\$217,856	\$231,408	13,552

Source: RSIC and OIG Analysis

Expenditures

As of May 31, 2014, the RSIC had expended \$231,408 (51 percent) of the total amount awarded. We judgmentally selected 32 non-payroll-related expenditures totaling \$22,334 and payroll expenditures totaling \$4,449 (\$3,480 in salary and \$1,019 in fringe benefits) to determine if costs charged to the grant were allowable, properly authorized, adequately supported, and in compliance with grant terms and conditions. The non-payroll expenditures we selected included contractor expenses, equipment, victim housing and other special needs expenses, and travel expenses. We reviewed supporting documentation including purchase orders, invoices, receipts, and check copies. Overall, we found that all of the 32 non-payroll transactions we tested were allowable, properly authorized, adequately supported, and in compliance with grant terms and conditions.

Personnel

According to the *OVW Financial Grants Management Guide*, compensation for personnel services (including salaries and fringe benefits) are allowable to the extent that they are reasonable, conform to the organization's established policies, are supported by sufficient documentation, and approved by a responsible official. Through the use of grant funds, the RSIC employed one full time Women's Circle Project Coordinator, who was responsible for the project's implementation and management.

We judgmentally selected a sample of payroll expenditures to determine if these expenditures were allowable, reasonable, and adequately supported. Specifically, we selected two non-consecutive pay periods totaling \$4,499 (\$3,480 in salary and \$1,019 in fringe benefits). We found that labor charges, including fringe benefits were generally computed correctly, properly authorized, accurately recorded, reasonable, and properly allocated to the grant.

Accountable Property

According to the *OVW Financial Grants Management Guide*, grant recipients are required to be prudent in the acquisition and management of property with federal funds. In addition, property records should be maintained accurately and include a description of the property, serial number or other identification number, and the source of the property.

We reviewed all accountable property purchased with grant funds and found that this property was properly recorded on the RSIC's property inventory records. We also physically verified all four accountable property items that the RSIC had purchased at the time of our testing and determined that the items existed, were being utilized for grant-related purposes, and were labeled as federally funded on RSIC's property records.

Indirect Costs

Indirect costs are 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. In order to be reimbursed for indirect costs, the RSIC was required to establish an appropriate indirect cost rate by preparing an indirect cost rate proposal and submit it to its cognizant federal agency, the U.S. Department of the Interior. The RSIC provided us with a document from its cognizant agency approving its indirect cost rate for 2012 and 2013.

We reviewed indirect costs charges attributed to the grant for the period of January 2, 2013, to December 31, 2013, and determined that the RSIC overcharged the grant for indirect costs by \$137. Specifically, we found that the

RSIC used a rate of 25.8 percent instead of the approved rate of 25.7 percent and that it overstated expenses by \$250 in its calculation.²

We discussed these discrepancies with the RSIC official responsible for calculating indirect costs and he acknowledged that the base expense amounts used in determining indirect costs were calculated incorrectly. Because these variances are below our threshold for questioning costs, we do not question costs associated with the incorrect calculation of indirect costs. However, we recommend that in the future the RSIC use the approved indirect cost rate and the correct base expenses in its indirect costs calculations.

Budget Management

The Uniform Administrative Requirements for Grants and Cooperative Agreements requires prior approval from the awarding agency if the movement of dollars between budget categories exceeds 10 percent of the total award amount for awards over \$100,000. Based on our review of the award package and solicitation, we determined that the grant exceeded the \$100,000 threshold and was subject to the 10 percent rule. Our analysis of the budget as compared to actual expenditures found that there were no budget deviations that required OVW approval.

Monitoring Contractors

As previously noted in the Expenditure section of this report, the RSIC had contracted for facilitator services for the OVW grant program, and the related expenditures for the facilitator services were properly supported. According to the contract agreement, the contractor was to provide facilitator services for the Women's Talking Circle meetings and was to be paid a fee for each meeting. During our audit, we determined that RSIC Women's Circle project coordinator scheduled the Women's Talking Circle meetings and that the contractor had facilitated the meetings as stipulated in the contract. The project coordinator also reviewed and authorized invoices from the contractor before payment was made. Our review also found that the contractor was paid as specified in the contract agreement. Therefore, we believe that the RSIC adequately monitored the contractor.

Reporting

According to the *OVW Financial Grants Management Guide*, recipients are required to submit both financial and program reports. These reports describe the status of funds, the status of the project, and compare actual accomplishments to the objectives of the grant, and report other pertinent information. We reviewed

² The 2013 indirect costs rate was not approved by the cognizant federal agency, the U.S. Department of the Interior, until January 3, 2014. Therefore, the rate previously approved in 2012 was to be used in the RSIC calculations during 2013. Once the 2013 rate was approved the RSIC was permitted to submit adjusting claims for indirect costs at the 2013 rate of 26.23 percent.

the FFRs and Progress Reports submitted by the RSIC to determine whether each report was submitted in a timely manner and was accurate.

Federal Financial Reports

The *OVW Financial Grants Management Guide* states that quarterly FFRs are due no later than 30 days after the end of the quarter, with the final FFR due within 90 days after the end date of the grant. We reviewed the last four FFRs submitted to determine if the RSIC submitted these reports on time and found that the RSIC submitted all reports in a timely manner.

We also reviewed the FFRs to determine whether they contained accurate financial information related to actual expenditures and program income for the grant. The *OVW Financial Grants Management Guide* requires that FFRs contain the actual expenditures and unliquidated obligations incurred during the reporting period as well as the cumulative amounts for each grant. In addition, program income and the expenditure of program income must be tracked on the FFRs. We compared the four most recently submitted FFRs as of May 31, 2014, to the RSIC's accounting records.

As indicated in Table 3 below, we identified discrepancies between the expenditures on the FFRs and the grant general ledger on all four FFRs we reviewed.

Table 3
Accuracy of Federal Financial Reports³

2012-TW-AX-0051					
No.	REPORTING PERIOD	FFR EXPENDITURES	ACCOUNTING RECORDS - EXPENDITURES	DIFFERENCE	CUMULATIVE DIFFERENCE
3	04/01/13-06/30/13	\$41,350	\$35,669	(\$5,681)	(\$5,681)
4	07/01/13-09/30/13	\$41,236	\$30,558	(\$10,678)	(\$16,359)
5	10/01/13-12/31/13	\$40,428	\$44,726	\$4,298	(\$12,061)
6	01/01/14-03/31/14	\$36,839	\$32,540	(\$4,299)	(\$16,360)

Source: OIG analysis of FFRs

According to an RSIC official, the differences between the FFRs and the grant general ledger resulted because the FFRs were completed before all expenses and adjusting entries were posted to the grant general ledger. Through additional review, we were able to identify a transaction on the general ledger which accounted for the difference between the general ledger and the FFR for the period of July 1, 2013, and September 30, 2013. However, we were unable to reconcile expenditures as posted on three of the four FFRs to the general ledger. We recommend that OVW ensure that the RSIC submit accurate FFRs and maintain

³ Expenditures for FFRs and Accounting Records have been rounded up and down as appropriate.

adequate documentation to support the financial information contained within the FFRs it submits.

Progress Reports

According to the *OVW Financial Grants Management Guide*, grant recipients are required to submit Progress Reports describing activities or progress in accomplishing grant objectives on a semi-annual basis. Progress Reports are due 30 days after the close of each reporting period, which ends on June 30 and December 31. We evaluated the timeliness and the accuracy of the Progress Reports that the RSIC submitted as of June 30, 2014.

We determined that the RSIC submitted its most recent four Progress Reports in a timely manner. We also reviewed the submitted Progress Reports to determine if the information was accurate. Specifically, we reviewed the statistical data reported on the last two Progress Reports covering the period of July 2013 through June 2014.

As illustrated on the following table, our review found that much of the statistical data reported on the progress reports was inaccurate.

Table 4
Accuracy of Statistical Data on Progress Reports

REPORTED STATISTICAL DATA	PROGRESS REPORT REPORTING PERIOD			
	07/01/13 – 12/31/13		01/01/14 – 06/30/14	
	REPORTED	SUPPORTED	REPORTED	SUPPORTED
Number of Victims Served	17	8	20	13
Number of Victims Partially Served	1	0	0	0
Number of Victims Not Served	2	1	7	7
<i>Demographical Information</i>				
American Indian or Alaska Native	18	8	20	13
Female	16	8	20	13
Male	2	1	-	-
Age (18-24)	3	1	2	0
Age (25-59)	15	7	18	13
People with Disabilities	1	0	2	1
People in Rural Areas	-	2	3	2
<i>Offender's Relation to Victim</i>				
Current or former spouse or intimate	18	8	17	10
Other family or household member	2	1	3	3
Acquaintance	1	0	-	-
<i>Other Statistical Data</i>				
Services to children of victims	12	14	19	15
Number of times service was provided	6	13	1	28
Civil legal advocacy/court accompaniment	3	UTD	-	-
Cultural Advocacy	3	UTD	7	UTD
Hospital/clinic/medical response	-	UTD	-	-
Transportation	5	-	4	UTD
Victim/Survivor advocacy	-	-	3	UTD
Victim witness notification/outreach	-	-	16	UTD
Transitional Housing (Number of bed nights)	7,893	2,815	3,298	3,298

Note: When a data point could not be determined the abbreviation UTD was used.

Source: RSIC

We asked an RSIC Official to explain the differences between the reported statistical data and the supported statistical data. The RSIC official stated that she had inadvertently reported the wrong totals for the July – December 2013 reporting period and made calculation errors when recording the totals for the January – June 2014 reporting period numbers in the progress reports. While we noted variances between the reported statistical data and the supported statistical data, we found that the RSIC maintained sufficient supporting documentation to track most statistical data reported on the progress reports. However, we recommend that OVW ensure that the RSIC submit accurate statistical data on its Progress Reports and maintain adequate documentation to support the data contained within the Progress Reports.

Additional Award Requirements

We reviewed the RSIC's compliance with specific program requirements in the grant solicitation as well as the special conditions included in its award documentation. In addition to the program requirements we reviewed in other areas of the report, we judgmentally selected for review 4 of the 54 special conditions. We found that the RSIC complied with the special condition award requirements that we reviewed.

Program Performance and Accomplishments

The RSIC's goal for the grant program was to develop a comprehensive domestic violence and sexual assault intervention and prevention program, called the "Women's Circle," that would work with departments, agencies and the community.

Specifically, the RSIC objectives for the Women's Circle were to:

- Increase the tribal community's involvement in shaping a program with long range goals and comprehensive plan on decreasing domestic violence, dating violence, stalking, and sexual assault through the input of the Women's Circle Advisory Board and the Women's Circle staff;
- Increase the tribal governments' ability to respond to domestic violence, dating violence, stalking, and sexual assault by implementing protocols and policies;
- Identify and train a coordinated community response team;
- Increase community education and awareness through workshops, newsletters, and brochures that are culturally relevant;
- Increase services to victims by assisting with transportation, temporary protection orders, shelter stays, rental deposits, personal care items, and with advocacy in the courts; and
- To support existing shelters in order to access resources currently unavailable at the tribal level.

Based on our interviews with RSIC officials, interviews with Women's Circle program participants, and our review of documentation provided by the RSIC, we determined that the RSIC has made significant progress towards accomplishing its goal and objectives. The RSIC established the Women's Circle office to provide support and services to victims of domestic violence, dating violence, stalking, and sexual assault. Services provided by the Women's Circle included housing assistance, rental deposit assistance, transportation assistance, clothing, and assistance with law enforcement and other community agencies.

In addition to the services provided directly to program participants, the RSIC also made substantial progress towards its other program objectives. For example, in order to increase community awareness, the project coordinator attended community events, distributed brochures and other materials on domestic violence, and published a monthly column in *The Camp News*, a publication for the RSIC community.

The Women's Circle project coordinator also met with the Women's Circle Advisory Board, law enforcement community members, tribal court members, and RSIC department managers on a regular basis to share information about the program and the services it provided program participants. The RSIC also contracted with a facilitator to offer support meetings for victims of domestic violence known as the Women's Talking Circle. Since the grant was awarded in October 2012, we noted five such support meetings had been conducted during our review period. Finally, and perhaps most significantly, program participants we spoke with stated that the program had provided much needed assistance during a particularly difficult period in their lives.

Conclusion

We found that the RSIC generally complied with essential grant requirements except for the areas of expenditures and reporting. Specifically, we found that the RSIC overstated base expenses and did not use the correct indirect costs rate in its calculations. Also, we found that the RSIC inaccurately reported expenditures and indirect costs on its FFRs resulting in discrepancies between the expenditures posted on the FFRs and the RSIC general ledger. Finally, we found that the RSIC incorrectly reported some statistical data on its progress reports.

Recommendations

We recommend that OVW:

1. Ensure that the RSIC use the approved indirect cost rate and the correct base expenses in its indirect costs calculations in the future.
2. Ensure that the RSIC submit accurate FFRs and maintain adequate documentation to support the financial information contained within the FFRs it submits.
3. Ensure that the RSIC submit accurate statistical data on its Progress Reports and maintain adequate documentation to support the information contained within the Progress Reports.

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of our audit was to determine whether costs claimed under grant 2012-TW-AX-0051 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, matching, and post end date activity were not applicable to the grant.

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

The purpose of the OVW's Tribal Governments Program is to enhance the ability of tribes to respond to violent crimes against Indian women, enhance victim safety, and develop education and prevention strategies. Eligible applicants are federally-recognized tribes or an organization that is acting as the authorized designee of a federally-recognized Indian tribe.

This was an audit of OVW Tribal Governments Program grant 2012-TW-AX-0051 in the amount of \$450,000, awarded to the RSIC. Unless otherwise specified, our audit covered, but was not limited to, activities that occurred between the inception of the grant in September 2012, through the start of our audit fieldwork in June 2014, and included such tests as were considered necessary to accomplish our objective. Further, the criteria we audited against are contained in the *OVW Financial Guide*, Code of Federal Regulations, OMB Circulars, and specific program guidance, such as award documents and the award solicitation.

We did not test internal controls for RSIC, taken as a whole or specifically for the program administered by the RSIC. An independent Certified Public Accountant conducted an audit of RSIC's financial statements. The results of that audit were reported in the Single Audit Report that accompanied the Independent Auditors' Report for the year ending December 31, 2012. The Single Audit Report was prepared under the provisions of OMB Circular A-133. We reviewed the independent auditor's assessment to identify control weaknesses and significant

noncompliance issues related to RSIC, or the federal programs it was administering, and we assessed the risks of those findings on our audit.

In conducting our audit, we reviewed FFRs and Progress Reports, and we performed sample testing of grant expenditures. Our testing was conducted by judgmentally selecting a sample of expenditures for analysis, along with a review of the internal controls and procedures, for the grant we audited. A judgmental sampling design was applied to obtain broad exposure to numerous facets of the grant we reviewed, such as dollar amounts, expenditure category, or risk. We selected 32 grant expenditures totaling \$22,334. This non-statistical sample design does not allow projection of the test results to all grant expenditures.

In addition, we performed limited testing of source documents to assess the accuracy of reimbursement requests and FFRs. However, we did not test the reliability of the financial management system as a whole, nor did we place reliance on computerized data or systems in determining whether the transactions we tested were allowable, supported, and in accordance with applicable laws, regulations, and guidelines. We also performed limited testing of information obtained from OJP's Grants Management System (GMS) and found no discrepancies. We have reasonable confidence in the GMS data for the purposes of our audit. However, the OIG has not performed tests of the GMS system specifically, and we therefore cannot definitively attest to the reliability of GMS data.

**RENO SPARKS INDIAN COLONY
RESPONSE TO THE DRAFT AUDIT REPORT⁴**



February 18, 2015

Carmen Lomeli
San Francisco Regional Audit office
90 7th Street, Suite 3-100
San Francisco, California 94103

RE: Response to Draft Audit Findings on Financial Reports

The Reno Sparks Indian Colony Contracts and Grants Manager has read your report and agrees that there were errors in the report due to expenses posted to the general ledger after the report was filed . The Contract and Grants Manager was able to identify all of the sources that contributed to the reporting differences by quarter and has supplied copies of the detail general ledger for back-up to the reconciliations (see attachments).

In the future the Contract and Grants Manager will file the Quarterly Reports on time as usual, and will revise the reports if needed before the next report is due.

With regard to the miscalculation of the indirect cost at 25.8% instead of 25.7%, the Contract and Grants Manager will have another Accountant verify the computation before posting the charge

Sincerely,



Arlan D. Melendez

Reno Sparks Indian Colony, Tribal Chairman

cc: Savita Shukla, CFO
Gene Sanders, Contracts & Grants Manager
Shelley Harjo, Contracts & Grants Manager
C&G File

⁴ Attachments to this response were not included in this final report.



February 18, 2015

Carmen Lomeli
San Francisco Regional Audit office
90 7th Street, Suite 3-100
San Francisco, California 94103

**RE: Grant 2012-TW-AX-0051
Response to Draft Audit Findings on Statistical Information on Progress Reports**

The Reno Sparks Indian Colony Women's Circle Project Coordinator has read your report and agrees that there were errors in the reporting of statistical information on the Progress Reports for July 1-December 31, 2013 and January 1-June, 30/2014.

While conducting the audit at the Reno-Sparks Indian Colony, during June 2-6, 2014, these errors were discussed and corrected with the auditors while on site.

The auditors' recommendations have been implemented into the tracking system of the statistical information into Excel spreadsheets.

To avoid and prevent miscalculations in tracking and reporting of statistical information in future reporting, the Excel spreadsheets will now automatically calculate information, and reported statistical information will coincide with the questions on the Semi-Annual Progress Report.

Sincerely,



Arlan D. Melendez
Reno Sparks Indian Colony, Tribal Chairman

cc: Savita Shukla, CFO
Gene Sanders, Contracts & Grants Manager
Jeraldine Magee, Tribal Court Administrator
Dorothy M. McCloud, Women's Circle Project Coordinator

**OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO THE DRAFT AUDIT REPORT**

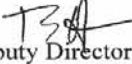



U.S. Department of Justice
Office on Violence Against Women
Washington, D.C. 20530

March 4, 2015

MEMORANDUM

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

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

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against
Women Tribal Governments Program Grant Awarded to the Reno
Sparks Indian Colony (RSIC) Reno Nevada

This memorandum is in response to your correspondence dated February 12, 2015 transmitting the above draft audit report for the Reno Sparks Indian Colony (RSIC). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains three recommendations in which The Office on Violence Against Women (OVW) is committed to working with the grantee to address and bring them to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Ensure that the RSIC use the approved indirect cost rate and the correct base expenses in its indirect cost calculations in the future.

OVW does agree with the recommendation. We will coordinate with the RSIC to ensure that the RSIC use the approved indirect cost rate and the correct base expenses in its indirect cost calculations in the future.

2. Ensure that the RSIC submit accurate FFRs and maintain adequate documentation to support the financial information contained within the FFRs it submits.

OVW does agree with the recommendation. We will coordinate with the RSIC to ensure that the RSIC submit accurate FFRs and maintain adequate documentation to support the financial information contained within the FFRs it submits.

3. We recommend that OVW ensure that the RSIC submit accurate statistical data on its Progress Reports and maintain adequate documentation to support the information contained within the Progress Reports.

OVW does agree with the recommendation. We will coordinate with the RSIC submit accurate statistical data on its Progress Reports and maintain adequate documentation to support the information contained within the Progress Reports.

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

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

Louise M. Duhamel, Ph.D.
Acting Assistant Director
Audit Liaison Group
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Lorraine Edmo
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**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE AUDIT REPORT**

The Office of the Inspector General (OIG) provided a draft of this audit report to the RSIC and OVW. The RSIC's and OVW's responses are incorporated in Appendices 2 and 3 of this final report, respectively. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation:

- 1. We recommended that OVW ensure that the RSIC uses the approved indirect cost rate and the correct base expenses in its indirect costs calculations in the future.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with the RSIC to ensure it uses the approved indirect cost rate and the correct base expenses in its indirect cost rate calculations.

In its response to our report, the RSIC stated that it will have another accountant verify the indirect cost rate computation before posting the charge.

This recommendation can be closed when OVW provides evidence that the RSIC has submitted a Grant Adjustment Notice along with supporting documentation indicating that the appropriate indirect cost rate has been charged to the grant. In addition, we request that OVW provide the internal controls that the RSIC established concerning proper indirect cost rate computations to ensure this error does not reoccur.

- 2. We recommended that OVW ensure that the RSIC submit accurate FFRs and maintain adequate documentation to support the financial information contained within the FFRs it submits.**

Resolved. OVW concurred with our recommendation. Specifically, OVW stated in its response, that it will coordinate with the RSIC to ensure that it submits accurate FFRs and maintains adequate documentation to support the financial information contained in the FFRs it submits.

In its response, the RSIC agreed that there were errors in the FFRs due to expenses being posted to the general ledger after the FFRs were filed. The RSIC stated that it would revise the FFRs as needed in the future.

This recommendation can be closed when OVW provides evidence that the RSIC has implemented policies and procedures to ensure that it includes all award-related expenditures and adjustments on its FFRs prior to submission.

3. We recommended that OVW ensure that the RSIC submit accurate statistical data on its Progress Reports and maintain adequate documentation to support the information contained within the Progress Reports.

Resolved. OVW concurred with our recommendation. In its response, OVW indicated that it would coordinate with the RSIC on submitting accurate statistical data on its Progress Reports and maintaining adequate documentation to support the information contained within the Progress Reports.

In its response, the RSIC agreed that there were errors in the reporting of statistical information on the Progress Reports we reviewed. The RSIC stated that it corrected the spreadsheet it utilizes for tracking statistical information so that it will automatically calculate the statistical information that will feed its Progress Reports.

This recommendation can be closed when we receive supporting documentation that the spreadsheet was appropriately changed and that it will serve as a control for ensuring accurate statistical data on future Progress Reports.

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