



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



**Audit of the Office on Violence Against
Women Tribal Domestic Violence and
Sexual Assault Coalition Program
Grants Awarded to the Native
Women's Society of the Great Plains
Eagle Butte, South Dakota**

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST
WOMEN TRIBAL DOMESTIC VIOLENCE AND SEXUAL
ASSAULT COALITION PROGRAM GRANTS AWARDED TO
THE NATIVE WOMEN'S SOCIETY OF THE GREAT PLAINS
EAGLE BUTTE, SOUTH DAKOTA**

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grants awarded by the Office on Violence Against Women (OVW), under the Tribal Domestic Violence and Sexual Assault Coalition Program to the Native Women's Society of the Great Plains (NWSGP) in Eagle Butte, South Dakota. The NWSGP was awarded \$1,951,545 under Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006 to increase awareness of domestic violence and sexual assault against Native women.

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, expenditures, budget management and control, drawdowns, federal financial reports, and program performance. The criteria we audited against are contained in the Office of Justice Programs (OJP) Financial Guide and the grant award documents.

As of August 21, 2015, the NWSGP had drawn down \$1,644,950 of the total grant funds awarded. We examined the NWSGP's policies and procedures, accounting records, and financial and progress reports, and found that the NWSGP did not comply with essential award conditions related to financial controls, the use of funds, budget management, federal financial reports, and performance. Specifically, the NWSGP: (1) did not accurately record grant expenditures for Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006; (2) did not adequately define policies and procedures related to travel advances for coalition members and consultants; (3) incurred \$39,946 in unallowable costs related to expenditures incurred outside the project period or the grant scope, overpayments for travel, consultant, personnel, and fringe benefit expenditures, expenditures incorrectly charged to the grant, and unbudgeted expenditures for audit preparation, health insurance, and other insurance costs; (4) incurred \$130,798 in unsupported expenditures for travel, consultant, supplies, equipment, personnel, and fringe benefit costs with insufficient documentation; (5) did not accurately classify grant expenditures to proper budget categories for both grants; (6) had drawn down funds of \$7,294 in excess of grant expenditures for Grant Number 2008-IW-AX-0005; (7) did not submit accurate FFRs for both grants; and (8) did not submit accurate progress reports that were properly supported for both grants.

Our report contains 10 recommendations to the OVW, which are detailed in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology are discussed in Appendix 1 and our Schedule of Dollar-Related Findings appears in Appendix 2. We discussed the results of our audit with the NWSGP officials and have included their comments in the report, as applicable. In addition, we requested a response to our draft audit report from the OVW and the NWSGP. We received those responses and have included them in Appendices 3 and 4, respectively.

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grants awarded by the Office on Violence Against Women (OVW), under the Tribal Domestic Violence and Sexual Assault Coalition Program to the Native Women's Society of the Great Plains (NWSGP) in Eagle Butte, South Dakota. The NWSGP was awarded two grants totaling \$1,951,545, as shown in Table 1.

Table 1

Grants Awarded to the NWSGP

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2008-IW-AX-0005	08/29/08	08/01/08	01/31/15	\$1,553,000
2014-IW-AX-0006	09/17/14	10/01/14	02/29/16	398,545
Total:				\$1,951,545

Source: The Office of Justice Programs (OJP) Grants Management System (GMS)

The NWSGP is a non-profit organization that represents the rural, isolated tribes in a seven state area of the northern Great Plains. The NWSGP is a coalition of domestic violence and/or sexual assault programs committed to the reclamation of the sacred status of women. The NWSGP works to support and strengthen sisterhood and local advocacy and program development efforts through culturally specific education, technical assistance training and resource implementation.

Created in 1995, the OVW administers financial and technical assistance to communities across the country. Currently, the OVW administers four formula-based and 20 discretionary grant programs established under the *Violence Against Women Act* and subsequent legislation. Funding through the Tribal Domestic Violence and Sexual Assault Coalition program supports the development and operations of nonprofit, nongovernmental tribal domestic violence and sexual assault coalitions. Tribal coalitions provide education, support and technical assistance to member Indian service providers and tribes to enhance their response to victims of domestic violence, dating violence, sexual assault, and stalking.

OIG Audit Approach

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

We tested compliance with what we consider to be the most important conditions of the grants. The criteria we audited against are contained in the OVW Financial Grants Management Guide, the OJP Financial Guide, and the award documents. The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

FINDINGS AND RECOMMENDATIONS

We examined the NWSGP's operating policies and procedures, accounting records, and financial and progress reports, and found the NWSGP did not comply with essential award conditions in the major areas we tested. At the time of our fieldwork, Grant Number 2008-IW-AX-0005 had ended and Grant Number 2014-IW-AX-0006 was ongoing.

Grant Financial Management

According to the OVW Financial Grants Management Guide, all grant recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them.¹ We conducted interviews with staff responsible for financial and program requirements, examined policies and procedures, and inspected grant documents to determine whether the NWSGP adequately safeguards grant funds. We did not review Single Audit Reports because the NWSGP is exempted from the single audit requirement since they expend less than \$500,000 a year in federal awards. Based on our review we identified issues with NWSGP's financial records and policies and procedures.

The NWSGP contracted with a fiscal agent who was responsible for bookkeeping, financial reports, payroll, and other fiscal paperwork for Grant Number 2008-IW-AX-0005. The NWSGP ended their contract with the fiscal agent during the grant period and the fiscal agent is no longer in business. The Director provided us with a hard copy file of the former fiscal agent's accounting records for the grant period they served as fiscal agent, in addition to the NWSGP records for Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006 exported from their accounting system.

Upon review of the records, we found the fiscal agent's accounting records were sometimes illegible making it difficult to identify item descriptions or amounts charged to the grant. We also found the NWSGP's records for Grant Number 2008-IW-AX-0005 had several entries listed after the grant end date. We alerted the Director to these entries during fieldwork. The Director told us the entries were incorrect and updated their records moving the entries from Grant Number 2008-IW-AX-0005 to Grant Number 2014-IW-AX-0006. After making the corrections and providing us with updated records, we identified additional issues with the NWSGP's accounting records.² We found the accounting records did not

¹ The original award for Grant Number 2008-IW-AX-0005 followed the OJP Financial Guide. The first supplemental award under Grant Number 2008-IW-AX-0008 followed the OJP Financial Guide until the OVW Financial Grants Management Guide was created in 2012. The second supplemental award under Grant Number 2008-IW-AX-0005 followed the OVW Financial Grant Management Guide.

² The Director provided us with additional updated accounting records while writing the draft report; however, we did not use these records since the records contained additional months of entries beyond our scope and no supporting documentation for entries removed or changed was provided.

reflect corrective entries as a result of funds paid back to the NWSGP, and included transactions the NWSGP indicated were paid with non-grant funds, but were entered in the accounting records for Grant Number 2014-IW-AX-0006.³

While the NWSGP uses an accounting firm to perform monthly bookkeeping, the NWSGP is responsible for identifying the grant and bookkeeping codes the firm is to use for each transaction. As noted, 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.

We found that the NWSGP's written policies and procedures do not include guidance related to travel advances for tribal coalition members or consultants. According to the Director, the NWSGP adopted many of its policies from the former fiscal agent. We reviewed multiple expenditures paid in advance related to training and associated travel, and found the expenditures were not adequately supported. We also reviewed the NWSGP's policies and determined that the policies do not provide adequate control to ensure that expenses paid in advance are properly verified, documented, and paid.

Further, we identified the NWSGP pays travel expenses in advance for its employees. According to the NWSGP's Employee Policies, employees paid in advance for travel expenses are required to submit a voucher after travel is completed. However, we found that the NWSGP employees were not following this policy.

Based on the above information, we concluded that grant financial management related to financial records and policies and procedures for tribal coalition members, consultants, and employees could be improved. We recommend that the OVW ensure the NWSGP implements a process to accurately record grant expenditures for funds awarded to the NWSGP. Additionally, we recommend the OVW ensure the NWSGP develops, approves, and implements policies and procedures for coalition members and consultants to ensure effective control over travel advances. We recommend the OVW ensure the NWSGP follows existing procedures for travel advances paid to employees.

Grant Expenditures

For Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006, the NWSGP's approved budget(s) included the categories personnel, fringe, travel, supplies, equipment, consultants/contracts, and other. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested 52 transactions for Grant Number 2008-IW-AX-0005 and 29 transactions for Grant Number 2014-IW-AX-0006, for a total of 81 transactions totaling \$202,033.⁴ We reviewed supporting documentation, accounting records, and performed verification testing related to

³ We questioned one of these transactions during transaction testing.

⁴ Differences due to rounding.

the grant expenditures. In total, we identified \$39,946 in unallowable direct costs, including personnel and fringe benefits costs. We identified \$130,798 in total unsupported direct costs, including personnel and fringe benefits costs. The following sections describe the results of that testing.

Personnel Costs

For personnel costs, we selected four non-consecutive pay periods in which employees were paid with grant funds for Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006. We also reviewed fringe benefits the NWSGP charged to each grant. These costs have been summarized in Table 2.

Table 2
Questioned Personnel and Fringe Benefits Costs

Type of Spending	Amount
Grant Number 2008-IW-AX-0005	
Overpaid Personnel Costs	\$387
Overpaid Fringe Benefit Costs	30
Unbudgeted Health Insurance Costs	20,323
Unbudgeted Insurance Costs	10,630
Grant Total:	\$31,370
Grant Number 2014-IW-AX-0006	
Unbudgeted Insurance Costs	\$2,887
Grant Total:	\$2,887
TOTAL:	\$34,257

Source: The NWSGP Accounting Records

Additional information on the questioned personnel and fringe benefit expenditures detailed is provided below.

The NWSGP's employee policy does not provide specific written procedures for how employees track and record their time. According to the Director, employees record and track their time on timesheets and the Director reviews each timesheet before a board member officially signs the timesheets for approval. The signed and approved timesheets are sent to the accounting firm who completes the payroll. According to an employee at the accounting firm, payment is not processed for any employee without an officially signed and approved timesheet.

We found for Grant Number 2008-IW-AX-0005, the timesheets provided for each employee were not signed by a board member.⁵ Additionally, the NWSGP overpaid two of its employees \$83 for hours not supported by their timesheets. For

⁵ For the second pay period reviewed, the Director's timesheet was signed by a board member, but the other three employees' timesheets were not.

Grant Number 2014-IW-AX-0006, we found only one timesheet was not signed by a board member.

Further, the NWSGP paid the Director a lump sum payment at the end of Grant Number 2008-IW-AX-0005 because the NWSGP failed to implement a pay raise of \$0.95 per hour approved in the budget for the second supplemental award. The NWSGP accounting records showed salary costs for 50 pay periods or 4,000 hours for the Director during this period. However, the payment to the Director was based on 54 pay periods or 4,320 hours. We found that the NWSGP incorrectly calculated the number of pay periods and hours worked for the Director during this period and overpaid the Director \$304 for 4 additional pay periods or 320 hours for the raise amount.

Therefore, we question \$387 for overpaid wages to employees from Grant Number 2008-IW-AX-0005 as both unallowable and unsupported. We recommend the OVW ensure the NWSGP implements policies and procedures to ensure personnel costs are properly approved and charged to grants.

Fringe Benefits

We also identified errors in the NWSGP's calculation of Federal Insurance Contributions Act (FICA) for employees. For Grant Number 2008-IW-AX-0005, we found the NWSGP overpaid FICA for the Director and two other employees in the amount of \$30 because of errors in the wages the NWSGP paid to those employees noted above. We did not find any issues with FICA charged by the NWSGP for employees for Grant Number 2014-IW-AX-0006. Therefore, we question \$30 in overpaid FICA from Grant Number 2008-IW-AX-0005 as both unallowable and unsupported.

Other Fringe Benefits

The original grant budget for Grant Number 2008-IW-AX-0005 included other fringe benefits such as health insurance. According to the Director, the NWSGP did not pay for benefits after ending their contract with the fiscal agent due to a shortage of funds. As a result, the OVW approved a revised budget that removed health insurance on March 30, 2010. However, we found the NWSGP continued to pay the insurance premiums totaling \$600 for one employee in 2010. We also found the NWSGP paid \$19,723 in health insurance premiums for its employees during the first supplemental award under Grant Number 2008-IW-AX-0005; however, the approved budget for that award also did not include health insurance. Therefore, we question \$20,323 in unbudgeted health insurance premiums for Grant Number 2008-IW-AX-0005 as unallowable.

The approved budgets for Grant Number 2008-IW-AX-0005 and 2014-IW-AX-0006 included workman's compensation insurance. However, we reviewed a sample of the NWSGP's insurance bills and found the NWSGP was also paying for general liability insurance; insurance not included in the approved budgets for both grants. Generally, we could not determine the amount paid for

workman’s compensation insurance separate from the general liability insurance; therefore, we question: \$10,630 and \$2,887 in unbudgeted insurance costs for Grant Number’s 2008-IW-AX-0005 and 2014-IW-AX-0006, respectively, as unallowable.

Other Direct Costs

We identified \$5,689 in unallowable direct costs charged to Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006.⁶ These costs have been summarized in Table 3.

**Table 3
Unallowable Direct Costs**

TYPE OF SPENDING	AMOUNT
2008-IW-AX-0005	
Overpaid Consultants Costs	\$594
Costs Incurred After the Grant End Date	422
Costs Outside the Grant Scope	47
Grant Total:	\$1,063
2014-IW-AX-0006	
Overpaid Consultant Costs	\$83
Overpaid Travel Costs	133
Costs for Audit Preparation	1,761
Costs Incorrectly Charged to the Grant	2,649
Grant Total:	\$4,626
TOTAL:	\$5,689

Source: The NWSGP accounting records

Additional information on the unallowable expenditures detailed above is provided below.

Costs Overpaid for Consultants and Travel

We found \$594 from Grant Number 2008-IW-AX-0005 and \$83 from Grant Number 2014-IW-AX-0006 in overpaid consultant costs due to errors in the NWSGP’s calculations of consultant rates and/or consultant travel expenses paid. Therefore, we question these overpaid consultant costs as unallowable.

We also identified \$87 from Grant Number 2014-IW-AX-0006 in overpaid travel costs due to errors in the NWSGP’s calculations of travel expenses paid. Additionally, the NWSGP overpaid per diem for an employee who attended an OVW new employee orientation, totaling \$46. Therefore, we question \$133 in overpaid travel costs from Grant Number 2014-IW-AX-0006 as unallowable.

⁶ This amount includes \$4,497 also questioned as unsupported direct costs.

Costs Incurred After the Grant End Date

The OVW Financial Grants Management Guide states that any costs incurred after the expiration of the project period are unallowable without written approval from the OVW. Grant Number 2008-IW-AX-0005 ended January 31, 2015. We identified \$422 in travel costs charged to the grant between February 3 and February 17, 2015. The Director did not provide documentation for these transactions to support that the NWSGP obligated these expenses before the grant end date or provide documentation that it received prior written approval from OVW to incur these costs after the grant end date. Therefore, we question \$422 in travel costs charged after the grant end date for Grant Number 2008-IW-AX-0005 as unallowable.

Costs Outside the Grant Scope

We found \$47 from Grant Number 2008-IW-AX-0005 for the Director to testify as an expert witness. The approved budget did not include testifying as an approved grant activity and the NWSGP did not submit a Grant Adjustment Notice (GAN) for approval to use grant funds for this activity. The OVW Financial Grants Management Guide states that prior approval is required for any change in scope. Therefore, we question \$47 in costs charged for activities outside the scope of Grant Number 2008-IW-AX-0005 as unallowable.

Costs for Audit Preparation

The NWSGP charged audit preparation costs to Grant Number 2014-IW-AX-0006. These costs included two transactions for the Director for travel to Rapid City and Pine Ridge, South Dakota for records or audit preparation and three transactions for a consultant for audit preparation, including travel from Fargo, North Dakota to Eagle Butte, South Dakota, to answer questions and show grant compliance. The approved budget for Grant Number 2014-IW-AX-0006 did not include audit preparation costs. In a GAN for these costs, the NWSGP identified audit preparation costs for the consultant, totaling \$2,700; however, this does not match the \$4,461 we found for audit preparation costs charged for the consultant in the accounting records; a difference of \$1,761. Therefore, we question \$1,761 in unbudgeted audit preparation costs from Grant Number 2014-IW-AW-0006 as unallowable.

Costs Incorrectly Charged to the Grant

We found \$2,649 from Grant Number 2014-IW-AX-0006 for hotel rooms when the OVW approved these costs under a GAN for Grant Number 2008-IW-AX-0005. According to the Director, the NWSGP used other non-grant funds to pay these costs. Per the OVW Financial Grants Management Guide, funds specifically budgeted/and or received for one project may not be used to support another project. Therefore, we question \$2,649 in hotel costs incorrectly charged to Grant Number 2014-IW-AX-0006 as unallowable.

Our review of grant transactions also identified \$130,381 in unsupported direct costs due to insufficient supporting documentation for expenditures charged to Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006.⁷ These costs have been summarized in Table 4.

Table 4
Unsupported Direct Costs

TYPE OF SPENDING	AMOUNT
2008-IW-AX-0005	
Unsupported Costs Incurred While Under Fiscal Agent	\$84,383
Unsupported Consultant Costs	9,501
Unsupported Travel Costs	15,353
Unsupported Supplies Costs	7,478
Unsupported Computer Equipment Costs	1,831
Grant Total:	\$118,546
2014-IW-AX-0006	
Unsupported Consultant Costs	\$1,960
Unsupported Travel Costs	4,907
Unsupported Audit Preparation Costs	4,968
Grant Total:	\$11,835
TOTAL:	\$130,381

Source: The NWSGP accounting records

Additional information on the unsupported expenditures detailed above is provided below.

Costs Incurred While Under the Fiscal Agent

As discussed earlier, the NWSGP contracted with a fiscal agent during the grant period for Grant Number 2008-IW-AX-0005. We tested 15 transactions, totaling \$91,814 from this period; however, the NWSGP was unable to provide sufficient supporting documentation for 11 of the 15 transactions tested. According to the Director, there was a lack of accountability from the fiscal agent in regard to the NWSGP funds and the spending of those funds, which included a lack of records and access to them. The 10 unsupported transactions, totaling \$84,383, included:

- 3 transactions associated with the fee paid to the fiscal agent, totaling \$68,550;
- 2 transactions related to travel, totaling \$1,953;

⁷ This amount includes \$4,497 also questioned as unallowable direct costs.

- 3 transactions related to payroll, totaling \$5,000;
- 1 transaction related to supplies for \$7,887; and
- 1 transaction for program income for \$993.

Other Unsupported Costs

The NWSGP uses several consultants for grant activities. We found the NWSGP policies and procedures to be lacking for consultants, as discussed earlier in this report. The NWSGP uses a generic consultant agreement that is completed for each consultant that details rates agreed upon and other expenses that will be paid for the consultant. We found several instances where the NWSGP did not properly complete consultant agreements. We recommended the OVW ensure the NWSGP properly completes consultant agreements for each consultant paid with grant funds and ensures the NWSGP approves the agreements before the date of services to be rendered.

We found \$4,950 from Grant Number 2008-IW-AX-0005 for consultant and curriculum costs that lacked a completed agreement for the consultant and documentation to support the quantity and value of materials provided in exchange for excess curriculums paid for by the NWSGP. We also identified \$4,551 from Grant Number 2008-IW-AX-0005 and \$1,960 from Grant Number 2014-IW-AX-0006 in travel expenses paid to consultants that lacked sufficient supporting documentation. Therefore, we question \$9,501 and \$1,960 in consultant costs for Grant Number 2008-IW-AW-0005 and Grant No. 2014-IW-AW-0006, respectively as unsupported.

We also identified \$15,353 for travel costs, \$7,478 for public awareness items, and \$1,831 in computer equipment from Grant No. 2008-IW-AX-0005 that lacked sufficient supporting documentation. We found \$4,907 for travel costs from Grant 2014-IW-AX-0006 that lacked sufficient supporting documentation, including records to verify attendance or to support what funds were used. Therefore, we question these costs as unsupported.

Finally, we found \$4,968 from Grant Number 2014-IW-AX-0006 in audit preparation costs. The NWSGP did not provide supporting documentation for these costs. As discussed earlier, the GAN submitted for these costs did not match the costs charged for the consultant in the accounting records. Therefore, we question \$4,968 in audit preparation costs as unsupported.

Based on our transaction testing, we recommend that the OVW remedy \$39,946 in unallowable net questioned costs related to expenditures incurred outside the project period or grant scope, expenditures incorrectly charged to the grant, overpayments for travel, consultants, personnel, and fringe benefits, and unbudgeted expenditures for audit preparation, health insurance, and other insurance costs. We recommend that the OVW remedy \$130,798 in unsupported net questioned costs related to personnel and fringe benefit costs, expenditures

incurred while under the fiscal agent, and expenditures for consultants, travel, supplies, equipment, and audit preparation with insufficient supporting documentation.

Budget Management and Control

According to the OVW Financial Grants Management Guide, the recipient is responsible for establishing and maintaining an adequate accounting system and financial records to accurately account for funds awarded to them. Additionally, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether the NWSGP transferred funds among budget categories in excess of 10 percent. We found the NWSGP adhered to the 10-percent rule. However, we found issues with the NWSGP's classification of grant expenditures.

We found the NWSGP was not classifying grant expenditures properly based on their approved budget categories. We found that the NWSGP improperly classified the following items for Grant Number 2008-IW-AX-0005: public awareness items, materials for board training, table top displays and banners for events, and printing of brochures as supplies; hotel rooms as supplies; and workman's compensation insurance as contractual. However, the NWSGP approved budgets identified: only general office supplies and postage as supplies; printing of brochures under contractual/consultants; hotel rooms under travel, and workman's compensation insurance under fringe benefits.

We found similar issues for Grant Number 2014-IW-AX-0006. The NWSGP classified both computer software and a projector lamp under supplies when both were budgeted under the other and equipment budget categories, respectively. The NWSGP classified the following expenditures as other when the budget approved them under different budget categories:

- workman's compensation insurance approved under fringe benefits;
- postage approved under supplies;
- registration fees and costs for a booth at a tribal event approved under travel; and
- supplies approved under supplies.

We also found during transaction testing that the NWSGP classified a transaction for conference registration under consultants when the conference was specifically approved in the budget under travel and classified hotel rooms for a board of directors training under consultants on the payment request, but entered the costs under travel in the accounting records.

We recommend that the OVW ensure the NWSGP adequately defines its budget categories and implements a process to accurately classify grant expenditures to the proper approved budget categories.

Drawdowns

According to the OVW Financial Grants Management Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. The NWSGP completes drawdowns on a reimbursement basis. To assess whether the NWSGP managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

We found the NWSGP had seven unusually large drawdowns at the beginning of Grant Number 2008-IW-AX-0005. At the time of the large drawdowns, the fiscal agent had control of drawdown requests. We compared the drawdown amounts to the respective periods and found that expenditures for four of the drawdowns were much less than the amount drawn. We asked the Director about these drawdowns, but the Director could not explain the differences between the expenditures and the drawn amount or why the drawn amounts were so large. We did not notice any additional unusual or large drawdowns after the NWSGP ended their contract with the fiscal agent and the Director took responsibility for drawdown requests for the remainder of the grant. We found for Grant Number 2008-IW-AX-0005 that total drawdowns, \$1,501,117, were greater than total expenditures, \$1,493,823, by \$7,294.⁸ Therefore, we recommend that the OVW remedy the \$7,294 in funds drawn down in excess of grant expenditures for Grant Number 2008-IW-AX-0005.

For Grant Number 2014-IW-AX-0006, we found the NWSGP has drawn down \$143,833 of the total award, as of August 21, 2015; this was less than total expenditures in the accounting records. We did not find any unusual drawdowns for Grant Number 2014-IW-AX-0006.

Federal Financial Reports

According to the OVW Financial Grants Management Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. To determine whether the FFRs submitted by the NWSGP were accurate, we compared the four most recent reports

⁸ We identified three deposits the NWSGP listed under grant income in the accounting records for Grant No. 2008-IW-AX-0005 that were not drawdowns. According to the Director, two of the deposits were for travel reimbursement from a former employee and the third was a refund for insurance. However, the Director did not provide supporting documentation for the travel reimbursements other than a bank statement and the amount of the insurance refund from the documentation did not match the amount recorded in the accounting records. Therefore, we did not include these deposits in our calculation of total expenditures from the NWSGP accounting records.

to the NWSGP's accounting records for Grant Number's 2008-IW-AX-0005 and 2014-IW-AX-0006.⁹

We found for each FFR reviewed for both grants the expenditures the NWSGP reported did not match the actual expenditures in the accounting records for the respective periods. We identified discrepancies between the expenditures in the accounting records and what was reported in the FFRs for both grants, as shown in Table 5.

Table 5
FFR Expenditures and Expenditures
Per Accounting Records

Report Number	Report Period From Dates	Report Period To Dates	Periodic Expenditures per FFR	Expenditures per Accounting Records	Difference
2008-IW-AX-0005					
24	04/01/14	06/30/14	\$39,476	\$68,255	(\$28,779)
25	07/01/14	09/30/14	83,126	64,837	18,288
26	10/01/14	12/31/14	83,245	63,107	20,138
27	01/01/15	01/31/15	28,036	22,595	5,441
2014-IW-AX-0006					
2	01/01/15	03/31/15	\$40,210	\$49,049	(\$8,839)
3	04/01/15	06/30/15	83,169	\$77,514	5,655
4	07/01/15	09/30/15	96,890	\$96,920	(21)

Source: OJP GMS and the NWSGP Accounting Records

The Director provided us with the monthly reports used to complete the FFRs.¹⁰ However; we could not reconcile the expenditures reported in the FFR to the monthly reports or the actual expenditures in the accounting records. The support provided by the NWSGP could not explain the discrepancies. We recommend that the OVW ensure the NWSGP implements a process to submit FFRs that accurately reflect expenditures for each reporting period.

Program Performance and Accomplishments

We reviewed the Categorical Assistance Progress Reports (progress reports), which are completed semiannually, to determine if the required reports are accurate. We also reviewed the grant solicitations and grant documentation, and interviewed grantee officials to determine whether the program goals and objectives were implemented. Finally, we reviewed NWSGP's compliance with the special conditions identified in the award documentation.

⁹ We only reviewed the three most recent FFRs for Grant No. 2014-IW-AX-0006 because the NWSGP did not record any data in FFR number 1.

¹⁰ Two of the monthly reports provided were corrected versions and not the actual monthly reports used by the NWSGP to complete the FFRs.

Categorical Assistance Progress Reports

According to the OVW Financial Grants Management Guide, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities. In order to verify the information in progress reports, we selected a sample of 4 performance measures from the 2 most recent progress reports submitted for each grant for a total sample size of 12.¹¹ We then traced the items to supporting documentation maintained by the NWSGP.

We found the NWSGP could not fully support the activities recorded in their progress reports; the NWSGP did not accurately reflect the number of activities recorded during the progress period or accurately reflect the number of people trained and the breakdown of those trained in progress reports for Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006. We recommend that the OVW coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported.

Program Goals and Objectives

The goals and objectives for Grant Number 2008-IW-AX-0005 included, but were not limited to, increasing awareness of domestic and sexual assault against Native women, increasing the capacity of members to provide advocacy/related service, and provide information to enhance the response to violence against Native women. We found that the NWSGP developed and held trainings geared towards community members, maintained a website with basic information about domestic and sexual violence, held an annual meeting, and participated in the National Indians Task Force to provide information and education.

The goals and objectives for Grant Number 2014-IW-AX-0006 included, but were not limited to, increasing awareness of domestic violence and sexual assault against Native women, increasing the capacity of members to provide advocacy/related services to Native women who experience sexual assault/domestic violence, establish a resource library for members, and provide information to enhance the response to violence against Native women. We found the NWSGP held trainings for the community and tribal coalition members, created an online site with resources accessible to members, held a board meeting, and attended an event for tribal members. We consider progress towards the goals and objectives of this grant to be ongoing, as the grant is currently open.

Based on our review, there were no indications that the NWSGP was not meeting the stated goals and objectives of the grants.

¹¹ We only reviewed Progress Report number 2 for Grant No. 2014-IW-AX-0006 because the NWSGP did not report any data for Progress Report number 1.

Compliance with Special Conditions

Special conditions are the contractual terms and conditions that are included with the awards. We evaluated the special conditions for each grant and selected a judgmental sample of the requirements that are significant to performance under the grants and are not addressed in another section of this report. We evaluated eight special conditions for Grant Number 2008-IW-AX-0005, including both supplemental awards, and three special conditions for Grant Number 2014-IW-AX-0006.

Based on our sample, we did not identify any instances of the NWSGP violating the special conditions.

Conclusion

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. We examined the NWSGP's accounting records, budget documents, financial and progress reports, and financial management procedures. We found that the NWSGP: (1) did not accurately record grant expenditures for Grant Number 2008-IW-AX-0005 and 2014-IW-AX-0006; (2) did not adequately define policies and procedures related to travel advances for coalition members and consultants; (3) incurred \$39,946 in unallowable costs related to expenditures incurred outside the project period or the grant scope, overpayments for travel, consultant, personnel, and fringe benefit expenses, expenditures incorrectly charged to the grant, and unbudgeted expenditures for audit preparation, health insurance, and other insurance costs; (4) incurred \$130,798 in unsupported expenditures for travel, consultant, supplies, equipment, and audit preparation costs with insufficient documentation; (5) did not accurately classify grant expenditures to proper budget categories for both grants; (6) had drawn down funds of \$7,294 in excess of grant expenditures for Grant Number 2008-IW-AX-0005; (7) did not submit accurate FFRs for both grants; and (8) did not submit accurate progress reports that were properly supported for both grants. We made 10 recommendations to improve the NWSGP's management of awards.

Recommendations

We recommend that the Office on Violence Against Women:

1. Ensure the NWSGP implements a process to accurately record grant expenditures for funds awarded to the NWSGP.
2. Ensure the NWSGP develops, approves, and implements policies and procedures for coalition members and consultants to ensure effective control over travel advances.
3. Ensure the NWSGP follows existing policies and procedures for travel advances paid to employees.

4. Ensure the NWSGP implements policies and procedures to ensure personnel costs are properly approved and charged to grants.
5. Remedy \$47,240 in unallowable costs related to the following issues:
 - a. \$387 in grant expenditures overpaid for wages paid to employees.
 - b. \$30 in grant expenditures overpaid for fringe benefits for employees.
 - c. \$33,840 in unbudgeted general liability and health insurance costs.
 - d. \$677 in grant expenditures overpaid to consultants.
 - e. \$133 in grant expenditures overpaid for travel.
 - f. \$422 in grant expenditures incurred after the grant end date for Grant Number 2008-IW-AX-0005.
 - g. \$47 in grant expenditures outside the scope of Grant Number 2008-IW-AX-0005.
 - h. \$1,761 in unbudgeted audit preparation costs.
 - i. \$2,649 in grant expenditures incorrectly charged to Grant Number 2014-IW-AX-0006.
 - j. \$7,294 in funds drawn down in excess of grant expenditures for Grant Number 2008-IW-AX-0005.
6. Remedy \$130,798 in unsupported costs related to the following issues:
 - a. \$387 in grant expenditures paid for personnel costs for employees with insufficient documentation.
 - b. \$30 in grant expenditures paid for fringe benefit costs for employees with insufficient documentation.
 - c. \$84,383 for grant expenditures with insufficient documentation incurred while under the fiscal agent.
 - d. \$11,461 in grant expenditures for consultant expenses with insufficient documentation.
 - e. \$20,260 for grant expenditures incurred for travel with insufficient documentation.
 - f. \$7,478 in grant expenditures for public awareness items with insufficient documentation.

- g. \$1,831 in grant expenditures for computer equipment with insufficient documentation.
 - h. \$4,968 in grant expenditures for audit preparation with insufficient documentation.
- 7. Ensure the NWSGP properly completes consultant agreements for each consultant paid with grant funds and ensures the NWSGP approves the agreements before the date of services to be rendered.
- 8. Ensure the NWSGP adequately defines its budget categories and implements a process to accurately classify grant expenditures to the proper approved budget categories.
- 9. Ensure the NWSGP implements a process to submit FFRs that accurately reflect expenditures for each reporting period.
- 10. Coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported.

OBJECTIVE, SCOPE, AND METHODOLOGY

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

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

This was an audit of two Office on Violence Against Women (OVW) grants awarded to the Native Women's Society of the Great Plains (NWSGP) under the Tribal Domestic Violence and Sexual Assault Coalitions Program. The OVW awarded the NWSGP a total of \$1,951,545 under Grant Numbers 2008-IW-AX-0005 and 2014-IW-AX-0006. As of August 21, 2015, the NWSGP had drawn down \$1,644,949 of the total grant funds awarded. Our audit concentrated on, but was not limited to August 29, 2008, the award date for Grant Number 2008-IW-AX-0005 through October 1, 2015, the last day of our fieldwork. The OVW closed out Grant Number 2008-IW-AX-0005 on June 16, 2015 and Grant Number 2014-IW-AX-0006 is still ongoing.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of NWSGP's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges; financial reports; and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The criteria we audit against are contained in the OJP Financial Guide, the OVW Financial Grants Management Guide, and the award documents. In addition, we evaluated the NWSGP's (1) grant financial management, including grant-related procedures in place for procurement, contractor monitoring, financial reports, and progress reports; (2) budget management and controls; (3) drawdowns; and (4) program performance.

During our audit, we obtained information from the OJP's Grant Management System as well as the NWSGP's accounting system specific to the management of Department of Justice funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>QUESTIONED COSTS</u> ¹²	AMOUNT	PAGE
<u>Unallowable Costs</u>		
Overpaid Costs for Personnel and Fringe Benefits	\$417	5-6
Unbudgeted General Liability and Health Insurance Costs	33,840	6-7
Overpaid Costs for Consultants and Travel	810	7
Costs Incurred After the Grant End Date	422	8
Costs Outside the Grant Scope	47	8
Unbudgeted Audit Preparation Costs	1,761	8
Costs Incorrectly Charged to the Grant	2,649	8
Drawdowns in Excess of Expenditures	7,294	12
Total Unallowable Costs	\$47,240	
<u>Unsupported Costs</u>		
Overpaid Costs for Personnel and Fringe Benefits	\$417	5-9
Costs Incurred While Under Fiscal Agent	84,383	9-10
Costs for Consultants, Travel, Supplies, and Equipment	41,030	10
Audit Preparation Costs	4,968	10
Total Unsupported Costs	\$130,798	
<u>GROSS QUESTIONED COSTS</u>		
<i>Less Duplicate Questioned Costs</i> ¹³	\$4,914	
NET QUESTIONED COSTS	\$173,124	

¹² **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; 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.

¹³ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which include audit preparation costs (\$1,761), costs charged incorrectly to the grant (\$2,649), personnel costs (\$387), travel costs (\$87), and fringe benefit costs (\$30).

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



U.S. Department of Justice


Office on Violence Against Women


Washington, DC 20530

March 22, 2016

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver 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 (OVW) Tribal Domestic Violence and Sexual Coalition Program Grants Awarded to the Native Women's Society of the Great Plains, Eagle Butte, South Dakota

This memorandum is in response to your correspondence dated February 18, 2016 transmitting the above draft audit report for the Native Women's Society of the Great Plains (NWSGP). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 10 recommendations and \$178,038 in questioned costs. OVW is committed to working with the Native Women's Society of the Great Plains (NWSGP) to address and bring these recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Ensure that NWSGPGP implements a process to accurately record grant expenditures for funds awarded to the NWSGP.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they implement a process to accurately record grant expenditures for funds awarded to the NWSGP.

2. Ensure that NWSGPGP develops, approves, and implements policies and procedures for coalition members and consultants to ensure effective control over travel advances.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they develop, approve, and implement policies and procedures for coalition members and consultants to ensure effective control over travel advances.

3. Ensure that NWSGPGP follows existing policies and procedures for travel advances paid to employees.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they follow existing policies and procedures for travel advances paid to employees.

4. Ensure that NWSGPGP implements policies and procedures to ensure personnel costs are properly approved and charged to grants.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they implement policies and procedures to ensure personnel costs are properly approved and charged to grants.

5. Remedy \$47,240 in unallowable costs related to the following issues:

- a. \$387 in grant expenditures overpaid for wages paid to employees.**
- b. \$30 in grant expenditures overpaid for fringe benefits for employees.**
- c. \$33,840 in unbudgeted general liability and health insurance costs.**
- d. \$677 in grant expenditures overpaid to consultants.**
- e. \$133 in grant expenditures overpaid for travel.**
- f. \$422 in grant expenditures incurred after the grant end date for Grant Number 2008-IW-AX-0005.**
- g. \$47 in grant expenditures outside the scope of Grant Number 2008-IEW-AX-0005**

- h. \$1,761 in unbudgeted audit preparation costs.**
- i. \$2,649 in grant expenditures incorrectly charged to Grant Number 2014-IW-AX-0006**
- j. \$7,294 in funds drawn down in excess of grant expenditures for grant Number 2008-IW-AX-0005.**

OVW does agree with the recommendation. We will coordinate with NWSGP to remedy the \$47,240 in unallowable costs.

6. Remedy the \$130,798 in unsupported costs related to the following issues:

- a. \$387 in grant expenditures paid for personnel costs for employees with insufficient documentation.**
- b. \$30 in grant expenditures paid for fringe benefit costs for employees with insufficient documentation.**
- c. \$84,383 for grant expenditures with insufficient documentation incurred while under the fiscal agent.**
- d. \$11,461 in grant expenditures for consultant expenses with insufficient documentation.**
- e. \$20,260 in grant expenditures incurred for travel with insufficient documentation.**
- f. \$7,478 in grant expenditures for public awareness items with insufficient documentation.**
- g. \$1,831 in grant expenditures for computer equipment with insufficient documentation.**
- h. \$4,968 in grant expenditures for audit preparation with insufficient documentation.**

OVW does agree with the recommendation. We will coordinate with NWSGP to remedy \$130,798 in unsupported costs.

7. Ensure the NWSGPGP properly completes consultant agreements for each consultant paid with grant funds and ensures the NWSGP approves the agreements before the date of services to be rendered.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they properly complete consultant agreements for each consultant paid with grant funds and ensure that they approve the agreements before the date of services to be rendered.

8. Ensure the NWSGPGP adequately defines its budget categories and implements a process to accurately classify grant expenditures to the proper approved budget categories.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they adequately define its budget categories and implement a process to accurately classify grant expenditures to the proper approved budget categories.

9. Ensure the NWSGP implements a process to submit FFRS that accurately reflect expenditures for each reporting period.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that they implement a process to submit FFRS that accurately reflect expenditures for each reporting period.

10. Coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported.

OVW does agree with the recommendation. We will coordinate with NWSGP to ensure that future progress reports are submitted accurately and properly supported.

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

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

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

Darla Sims
Program Manager
Office on Violence Against Women (OVW)

THE NATIVE WOMEN'S SOCIETY OF THE GREAT PLAINS
EAGLE BUTTE, SOUTH DAKOTA RESPONSE TO THE DRAFT
REPORT



**NATIVE WOMEN'S SOCIETY
OF THE GREAT PLAINS**

PO Box 448
Eagle Butte, SD 57625

Carmen O' Leary
Director

March 11, 2016

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

RE: Response of the Native Women's Society of the Great Plains (NWS) to the Draft Office of the Inspector General (OIG) Report of the office on Violence Against Women (OVW) Grant #2008-IW-AX-0005 and 2014-IW-AX-0006

Dear Mr. Sheeren:

The following is the response to the Draft Audit Report:

Recommendations:

1. **Ensure the NWSGP implements a process to accurately record grant expenditures.**

The NWS Board has implemented a policy committee as per by laws to review financial, bylaws and personnel policies.

2. **Ensure the NWSGP develops, approves and implements policies and procedures for coalition members and consultants to ensure effective control over travel advances.**

Again the NWS has formed committees to look at the policies and will implement the recommended changes when passed by the full board.

3. **Ensure the NWSGP follows existing policies and procedures for travel advances paid to employees.**

Policy committee has reviewed and will implement recommended changes when passed by full board.

- 4. Ensure the NWSGP implements policies and procedures to ensure personnel costs are properly approved and charged to grants.**

NWSGP currently does have policies to code costs to grants. Due to staff turnover at both the bookkeeping agency and in the staff mistakes on coding did occur. Following the procedures should impact the number of mistakes and proper training.

- 5. Remedy \$47,240 in unallowable costs related to the following issues: a through j**

NWS does not agree with the total in these categories as due to previous reason mentioned and the fact that records were not allowed back to the organization when taken from the previous financial management. At the time staff worked with OVW to find the proper process but was given no notice of where records were taken nor where they were returned until the implementation of this audit. NWS will continue to find the necessary documentation.

- 6. Remedy of unsupported costs related to following issues a. to h.**

NWS does not agree with this recommendation and maintains that for many of the costs the organization was not given adequate notice of the records whereabouts and how to retrieve them. Also some of the documentation will be retrieved and NWS will work with consultants and OVW to resolve these issues to satisfy the grant requirements.

- 7. Ensure the NWSGP properly completes consultant agreements for each consultant paid with grant funds and ensures the NWSGP approves the agreements before the date of services to be rendered.**

Consultant agreements are usually in place prior to services or payments. NWS will agree to work toward this issue in the future.

- 8. Ensure the NWSGP adequately defines its budgets categories and implements a process to accurately classify grant expenditures to the proper approved budget categories.**

NWS has classes and codes to identify budget categories. Mistakes were made and it will be a goal of the NWS to resolve this issue with OVW to meet their compliance measures.

- 9. Ensure the NWSGP implements a process to submit FFRs that accurately reflect expenditures for each reporting period.**

Procedures are in process to insure that expenditures are accurately reflected in each reporting period. Factors in the most recent grant were repaired by correcting an error in dates on reports and general journal. Monthly reports and general ledgers will be adhered to in reporting on the FFRs.

- 10. Coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported.**

All support documentation will be copied and filed with each progress report to demonstrate for the information in the progress report rather than filed back with the financial supporting documentation. This method of documenting the progress report will show the evidence that the information is based on more accurately.

Sincerely,

A handwritten signature in cursive script that reads "Carmen O'Leary".

Carmen O'Leary
Executive Director

Cc: Office of Violence Against Women

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Native Women's Society of the Great Plains (NWSGP) and the Office on Violence Against Women (OVW). The NWSGP's response is incorporated as Appendix 4 and OVW's response is included as Appendix 3 of this final report. The following provides the OIG's analysis of the responses and summary of actions necessary to close the report.

In its response, OVW agreed with all of our recommendations and stated that it will coordinate with the NWSGP to address our recommendations. The NWSGP did not specifically indicate agreement or disagreement with 8 of the 10 recommendations, but did include actions taken to address the items. The NWSGP disagreed with two recommendations.

Recommendation:

- 1. We recommend that the OVW ensure the NWSGP implements a process to accurately record grant expenditures for funds awarded to the NWSGP.**

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they implement a process to accurately record grant expenditures for funds awarded to the NWSGP. The NWSGP neither agreed nor disagreed with the recommendation, but stated the NWSGP board has implemented a policy committee as per by laws to review financial, by laws, and personnel policies.

This recommendation can be closed when we receive documentation of the approved updated policies that address this issue.

- 2. We recommend that the OVW ensure the NWSGP develops, approves, and implements policies and procedures for coalition members and consultants to ensure effective control over travel advances.**

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they develop, approve, and implement policies and procedures for coalition members and consultants to ensure effective control over travel advances.

The NWSGP neither agreed nor disagreed with the recommendation, but stated the NWSGP has formed committees to look at the policies and will implement the recommended changes when passed by the full board.

This recommendation can be closed when we receive documentation of the approved updated policies that address this issue.

3. We recommend that the OVW ensure the NWSGP follows existing policies and procedures for travel advances paid to employees.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure they follow existing policies and procedures for travel advances paid to employees. The NWSGP neither agreed nor disagreed with the recommendation, but stated that a policy committee has reviewed and will implement recommended changes when passed by the full board.

This recommendation can be closed when we receive documentation that ensures the NWSGP follows updated policies that address this issue.

4. We recommend that the OVW ensure the NWSGP implements policies and procedures to ensure personnel costs are properly approved and charged to grants.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they implement policies and procedures to ensure personnel costs are properly approved and charged to grants. The NWSGP neither agreed nor disagreed with the recommendation, but stated that the NWSGP currently has policies to code costs to grants and due to staff turnover at both the bookkeeping agency and NWSGP, mistakes on coding did occur. The NWSGP noted that following the procedures should impact the number of mistakes and proper training. However, the NWSGP Financial and Employee policies we reviewed did not address procedures to code costs to grants.

This recommendation can be closed when we receive evidence that policies addressing this issue are implemented to ensure that costs are properly approved and charged to the grants.

5. We recommend that the OVW remedy \$47,240 in unallowable costs related to the following issues:

- a. \$387 in grant expenditures overpaid for wages paid to employees.
- b. \$30 in grant expenditures overpaid for fringe benefits for employees.
- c. \$33,840 in unbudgeted general liability and health insurance costs.
- d. \$677 in grant expenditures overpaid to consultants.
- e. \$133 in grant expenditures overpaid for travel.

- f. \$422 in grant expenditures incurred after the grant end date for Grant Number 2008-IW-AX-0005.
- g. \$47 in grant expenditures outside the scope of Grant Number 2008-IW-AX-0005.
- h. \$1,761 in unbudgeted audit preparation costs.
- i. \$2,649 in grant expenditures incorrectly charged to Grant Number 2014-IW-AX-0006.
- j. \$7,294 in funds drawn down in excess of grant expenditures for Grant Number 2008-IW-AX-0005.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to remedy the \$47,240 in unallowable costs. The NWSGP disagreed with the total amount in the recommendation for these categories due to the fact that records were not allowed back to the organization from the previous financial management. The NWSGP noted they will continue to find the necessary documentation.

The NWSGP states that its records were not returned to the organization from the previous financial management. However, for items a-i, the NWSGP provided records for these transactions, so these costs do not relate to the records the NWSGP mentioned. These costs are related to errors we found in the calculation of wages and fringe benefits paid to employees, errors in the calculation of costs paid to consultants or for travel costs based on the supporting documentation provided for these transactions. The costs are also related to costs not approved by the OVW in the budget or by a GAN, costs incurred after the grant end date, costs charged higher than what was approved in a GAN for audit preparation costs, or costs incorrectly charged to the grant based on documentation reviewed. For item j, these costs are identified based on total expenditures in the NWSGP accounting records compared to the list of drawdowns from the OVW. According to the OVW Financial Grants Management Guide, if at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. Therefore, these costs are still unallowable.

This recommendation can be closed when we receive documentation supporting the \$47,240 in unallowable costs has been remedied.

6. We recommend that the OVW remedy \$130,798 in unsupported costs related to the following issues:

- a. \$387 in grant expenditures paid for personnel costs for employees with insufficient documentation.
- b. \$30 in grant expenditures paid for fringe benefit costs for employees with insufficient documentation.

- c. \$84,383 for grant expenditures with insufficient documentation incurred while under the fiscal agent.
- d. \$11,461 in grant expenditures for consultant expenses with insufficient documentation.
- e. \$20,260 for grant expenditures incurred for travel with insufficient documentation.
- f. \$7,478 in grant expenditures for public awareness items with insufficient documentation.
- g. \$1,831 in grant expenditures for computer equipment with insufficient documentation.
- h. \$4,968 in grant expenditures for audit preparation with insufficient documentation.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to remedy \$130,798 in unsupported costs.

The NWSGP disagreed with the recommendation and maintains that for many of the costs the organization was not given adequate notice of the records whereabouts and how to retrieve them. The NWSGP also stated that some of the documentation will be retrieved and the NWSGP will work with consultants and the OVW to resolve these issues to satisfy the grant requirements. We understand that the NWSGP had concerns with the location of its records; however, the OVW Financial Grants Management Guide, states that all recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. Therefore, these costs are still unsupported.

This recommendation can be closed when we receive documentation that remedies the \$130,798 in unsupported costs.

7. We recommend that the OVW ensure the NWSGP properly completes consultant agreements for each consultant paid with grant funds and ensures the NWSGP approves the agreements before the date of services to be rendered.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they properly complete consultant agreements for each consultant paid with grant funds and ensure that they approve the agreements before the date of services to be rendered. The NWSGP neither agreed nor disagreed with the recommendation. The NWSGP stated that consultant agreements are usually in place prior to services or payment and that the NWSGP will agree to work toward this issue in the future.

This recommendation can be closed when we receive evidence that policies have been implemented to ensure that consultant agreements are completed and approved prior to the date that services are rendered.

8. We recommend that the OVW ensure the NWSGP adequately defines its budget categories and implements a process to accurately classify grant expenditures to the proper approved budget categories.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they adequately define its budget categories and implement a process to accurately classify grant expenditures to the proper approved budget categories. The NWSGP neither agreed nor disagreed with the recommendation. The NWSGP stated that while it has classes and codes to identify budget categories, it recognized mistakes were made. The NWSGP stated its goal to resolve this issue with the OVW to meet their compliance measures.

This recommendation can be closed when we receive evidence that the NWSGP's budget categories are adequately defined, and that a process has been implemented to ensure accurate classification of those budget categories.

9. We recommend that the OVW ensure the NWSGP implements a process to submit FFRs that accurately reflect expenditures for each reporting period.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that they implement a process to submit FFRs that accurately reflect expenditures for each reporting period.

The NWSGP neither agreed nor disagreed with the recommendation. The NWSGP stated that procedures are in process to ensure that expenditures are accurately reflected in each reporting period and monthly reports and general ledgers will be adhered to in reporting on the FFRs.

This recommendation can be closed when we receive documentation that the NWSGP implements and follows procedures to submit accurate FFRs.

10. We recommend that the OVW coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported.

Resolved. The OVW agreed with the recommendation and stated it will coordinate with the NWSGP to ensure that future progress reports are submitted accurately and properly supported. The NWSGP neither agreed nor disagreed with the recommendation. The NWSGP stated that all supporting documentation will be copied and filed with each progress report to demonstrate for the information in the progress report then filed back with the financial supporting documentation. This method of documenting the progress report will show the evidence that the information is based on more accurately.

This recommendation can be closed when we receive evidence that the NWSGP provides accurate progress reports that contain proper support.

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at www.justice.gov/oig/hotline or (800) 869-4499.



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