



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



**Audit of the
Office on Violence Against Women
Rural Sexual Assault, Domestic
Violence, Dating Violence and Stalking
Assistance Program Grant
Awarded to Centura Health dba
St. Thomas More Hospital
Canon City, Colorado**

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
RURAL SEXUAL ASSAULT, DOMESTIC VIOLENCE,
DATING VIOLENCE AND STALKING ASSISTANCE
PROGRAM GRANT AWARDED TO CENTURA
HEALTH DBA ST. THOMAS MORE HOSPITAL
CANON CITY, COLORADO**

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of an Office on Violence Against Women (OVW), Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program (Rural Program) grant awarded to Centura Health dba St. Thomas More Hospital (Centura) in Canon City, Colorado. Centura was awarded \$1,077,796 under Grant Number 2011-WR-AX-0021 to provide comprehensive, victim empowerment-oriented, culturally competent services to victims of sexual assault and domestic violence. As of January 11, 2016, Centura had drawn down \$749,121 of the total grant funds awarded.

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

As a result of our audit testing, we concluded that Centura generally managed the grant appropriately and demonstrated adequate progress towards achieving the grant's stated goals and objectives, except for several instances of noncompliance. Centura appeared to be accomplishing the portions of the goals and objectives that it was directly implementing, but we found deficiencies with its subrecipient's implementation of the grant goals. Further, this audit did not identify significant concerns regarding Centura's budget management or grant drawdowns. However, we found that Centura did not comply with essential award conditions related to program performance, progress reports, grant special conditions, grant expenditures, and federal financial reports. Specifically, Centura: (1) will have unused funds at the end of the grant period, (2) did not currently provide a therapist through its community partner, as required by the grant, (3) did not collect and maintain documentation to fully support performance of grant objectives by its community partner, (4) submitted progress reports that were not adequately supported by documentation, (5) did not comply with four special conditions, (6) did not report the grant on past Single Audit Reports, (7) charged unallowable and unsupported costs to the award, and (8) did not follow financial reporting timeframes.

Our final report identifies \$2,267 in questioned costs and contains nine recommendations to OVW which are detailed later in 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 Centura officials and have included their comments in the report, as applicable. In addition, we requested a response to our draft audit report from Centura and OVW, which are appended to this report in Appendix 3 and Appendix 4.

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CANON CITY, COLORADO**

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The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of an Office on Violence Against Women (OVW), Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program (Rural Program) grant awarded to Centura Health dba St. Thomas More Hospital (Centura) in Canon City, Colorado. Centura was awarded \$1,077,796 under Grant Number 2011-WR-AX-0021, as shown in Table 1.

**Table 1
Grants Awarded to Centura**

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
2011-WR-AX-0021	09/23/11	10/01/11	09/30/16	\$1,077,796

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

Funding through the Rural Program is intended to provide comprehensive, victim empowerment-oriented, culturally competent services to victims of sexual assault and domestic violence.

According to the grant award, the Rural Program implements certain provisions of the Violence Against Women Act, which was enacted in September 1994 as Title IV of the Violent Crime Control and Law Enforcement Act of 1994, the Violence Against Women Act of 2000 and the Violence Against Women and Department of Justice Reauthorization Act of 2005. The primary purpose of the program is to enhance victim safety in cases of domestic violence, dating violence, sexual assault, and stalking in rural areas by encouraging collaborative partnerships among criminal justice agencies, victim service providers and community organizations to respond to these crimes. In addition, the program supports the provision of services to the victims of such violence, and encourages communities to work in coordination to develop education and prevention strategies directed toward these issues.

The Grantee

St. Thomas More Hospital (STM) is a rural nonprofit hospital operated by Centura and funded through the Catholic Health Initiatives Colorado Foundation (CHI Foundation). The grant was awarded to Centura, to implement the Southern Colorado Rural Sexual Violence Program (SCRSVP) through STM in collaboration with Family Crisis Services (FCS), a local shelter and victim service provider who was STM's community partner through a memorandum of understanding (MOU).

The goal of the project was to provide comprehensive, empowerment-oriented, culturally competent services to victims of sexual assault and domestic violence, and establish a continuum of wrap-around services from the time of the initial assault through long-term counseling and advocacy in Fremont, Custer, and Chaffee counties, Colorado.

OIG Audit Approach

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

We tested compliance with what we consider to be the most important conditions of the grant. The OJP Financial Guide, OVW Financial Grants Management Guide, and the award documents contained the primary criteria we applied during the audit.

The results of our analysis are discussed in detail in the following sections 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.

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations and grant documentation, and interviewed grantee officials to determine whether Centura demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed progress reports, to determine if the required reports were accurate. Finally, we reviewed Centura's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

We reviewed grant application materials and interviewed grant project officials, and determined that of the five primary grant objectives, two objectives were the responsibility of STM; two were the responsibility of FCS; and one objective consisted of work to be performed by both STM and FCS. As discussed below, objectives 1 and 2 were STM's responsibility, and had been achieved or were in progress at the time of our audit. Objectives 3 and 4 were the responsibility of FCS, and documentation showed that one objective was at least partially achieved, but FCS officials stated the other objective was not being achieved at the time of our audit. For objective 5, STM appeared to be performing as intended, and FCS stated it was performing but did not provide documentation to support its work.

Specific objectives and tasks included:

1. Operationalize a Sexual Assault Nurse Examiner (SANE) program at STM and add services through the hospital in Chaffee County. STM officials provided documentation showing that the SANE program had been implemented at the hospital, including SANE program procedures, patient logs, program brochures, and training and outreach materials. In its grant application, STM officials stated that the SANE program would staff seven to eight nurses with 24-hour availability at STM, and perform 375 sexual assault exams in a 3-year project period. However, during our review we found that there were three SANE certified nurses on staff, and STM officials stated two more RNs were in training. STM documentation showed the SANE program had performed 283 exams at the hospital as of February 4, 2016. We reviewed intake forms for a sample of 10 victims and did not identify discrepancies.

In addition to the hiring and training of SANE nurses, we identified two other specific tasks related to this objective including working with state and federal prison facilities to ensure SANE exams for incarcerated victims; and expanding services to Chaffee County. During our review, we found that STM established the SANE program for incarcerated victims at nearby state and Federal Bureau of Prisons (BOP) correctional facilities. As stated previously, STM documentation showed the SANE program had performed 283 exams as of February 4, 2016, which included 16 exams of incarcerated victims at the hospital and 3 more at BOP facilities. Additionally, the SANE program was implemented for victims in Chaffee County. As of February 4, 2016, at least four victims from Chaffee County received services.

While the anticipated staffing and examination numbers were less than stated in the grant application, STM officials stated there had been no lapses in SANE services; the hospital had not turned away any sexual assault victims. Because the actual staffing levels and number of exams performed were less than projected in the grant application, the officials stated there will be unused funds at the end of the grant, which they will ask OVW to deobligate. We recommend that OVW ensures that unused grant funds are deobligated.

2. Improve the percentage of victims who have high-quality forensic evidence available for prosecution of sexual assault assailants. In order to achieve this objective, STM purchased an examination table and an examination camera. During our audit, we physically verified both pieces of equipment in the SANE area of the hospital, and verified that both items were appropriately logged in STM's property monitoring system.

3. Hire an additional advocate at FCS to provide on-site shelter staffing and 24-hour response to the crisis hotline. Specific tasks related to this objective included providing 24-hour crisis intervention, advocacy, and transportation during the initial sexual assault report and exam, and providing 24-hour shelter and crisis hotline services. We reviewed FCS payroll summary and remittance documentation during expenditure testing, which indicated three FCS employees had been

employed under the grant within our sample: a project coordinator, an overnight shelter advocate, and a therapist. Those positions matched what was submitted in the grant budget. FCS provided demographic statistics for shelter clients for 2015, but we did not receive transportation logs or crisis hotline call data.

4. Expand and provide therapeutic services for up to 20 survivors of sexual assault per year at FCS. The grant application stated FCS would provide therapy services for at least 20 victims per year, or at least 60 victims over the original 3-year life of the grant. FCS did not currently employ a therapist as required by the grant, due to funding uncertainties from the upcoming grant end date. FCS officials stated they were actively seeking a therapist. The officials stated the most recent therapist was seeing about 35 victims per week, and progress reports indicated that 38 victims had received support and counseling services in the first 6 months of 2015, and 79 victims in the second half of the year. However, FCS officials could not provide supporting documentation for these statistics. As a result, we were unable to verify FCS data in the progress reports, which is discussed in the Required Performance Reports section of this report. The lack of a therapist at the time of our audit prevents FCS from currently providing the services stated in the grant application. We recommend that OVW coordinates with Centura to ensure that FCS provides the intended therapist services to victims.

5. Expand area sexual assault education and awareness to nursing homes, patients, care givers, schools, and seniors. STM officials stated they provide trainings to new law enforcement officers about the SANE program and its process, and provided us with STM's SANE program presentation materials and program brochures created for law enforcement and the public. FCS officials stated they conduct programs for schools, churches, and community organizations, and FCS statistics for 2015 indicated that outreach had occurred, but FCS did not provide its materials or schedules for those programs.

While STM appeared to be generally performing as intended under the grant, FCS did not provide documentation to fully support its performance under grant objectives 3, 4, and 5. We recommend that OVW coordinates with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.

Required Performance Reports

According to the OVW Financial Grants Management Guide, grant recipients are required to collect and maintain data to measure the effectiveness of grant-funded activities. To verify the information in the progress reports, we selected a sample of 12 performance measures from the 2 most recent reports submitted for the grant; we selected 7 performance measures from progress report 8 and 5 measures from progress report 9. We then traced the items to supporting documentation maintained by Centura.

We found that documentation did not support the statistics reported in progress reports 8 and 9. For those reports, STM maintained logs of victims that

showed examination date, race, and age. However, FCS provided demographic data for 2015 and a handwritten data summary, but did not provide verifiable source documentation for the reported statistics. Centura officials stated they requested supporting documentation from FCS but did not receive it. Therefore, we were unable to verify the performance measures selected for both progress reports. We recommend that OVW ensures that Centura maintains adequate documentation to support information provided in progress reports.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the grant award. We evaluated the special conditions for the grant and selected a judgmental sample of the requirements that are significant to performance under the grant. We evaluated 15 special conditions for the grant and identified 4 instances where Centura was not in compliance with the grant's special conditions.

Special Condition 15 required Centura to submit Federal Financial Reports (FFR) on a quarterly basis, no more than 30 days from the end of the quarter. As discussed in detail in the Federal Financial Reports section of this report, Centura submitted quarterly FFRs, but three of the four most recent reports did not follow the required reporting periods.

Special Condition 19 required Centura to submit one copy of all required reports and any other written materials or products that are funded under the project to OVW not less than 20 days prior to public release. According to OVW's grant manager, Centura identified brochures in its progress reports but did not submit them to OVW.

Special Condition 20 required that all materials and publications (written, visual, or sound) resulting from award activities shall contain disclaimer language: "This project was supported by Grant No. [2011-WR-AX-0021] awarded by the Office on Violence Against Women, U.S. Department of Justice. The opinions, findings, conclusions, and recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice, Office on Violence Against Women." Centura officials provided two brochures created with the grant; neither brochure contained the required disclaimer language.

Special Condition 23 required Centura to submit for OVW review and approval any anticipated changes to memorandum of understanding signatories. Centura updated its 2011 MOU with Family Crisis Services in January 2016. According to OVW's grant manager, Centura did not submit the proposed MOU to OVW for review and approval.

Centura officials stated that the original coordinator of the grant program did not share grant information with program staff, including the special conditions. However, the noncompliance with the special conditions occurred after the current

coordinator took over the program at the hospital in November 2013 and had access to the grant award documents.

Because Centura was not in compliance with all grant special conditions, we recommend that OVW ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.

Grant Financial Management

According to the OVW Financial Grants Management Guide, an accounting system should be established with adequate internal fiscal and management controls to provide reasonable assurance that the recipient is adequately managing federal grants. To assess Centura's financial management of the grants covered by this audit, we reviewed its Single Audit Report for fiscal years (FY) 2013 through 2015 to identify internal control weaknesses and significant non-compliance issues related to federal awards. We also conducted interviews with financial staff, examined documented policies and procedures, and inspected grant documents to determine whether Centura adequately safeguards the grant funds we audited. Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report.

In our review of Centura's Single Audit Reports and financial management policies and procedures, we found that Centura submitted Single Audit Reports for FYs 2013 and 2014, but did not include the OVW grant in those reports. Centura officials stated it was an oversight that occurred because the grant had been coded to the incorrect recipient. The grant was included in Centura's FY 2015 Single Audit Report, which did not identify findings related to this grant or any other DOJ grants. According to OMB Circular A-133, a Single Audit Report includes the auditee's financial statements and federal awards, and should report award activity, including expenditures. Centura did not report the OVW grant in its FY 2013 and 2014 Single Audit Reports, despite the occurrence of grant expenditures in those years. We recommend that OVW ensures that Centura develop and implement procedures to report all applicable federal funds on its Single Audit Report.

Grant Expenditures

Centura's approved budget for the grant included Personnel, Fringe Benefits, Travel, Equipment, Supplies, and Contractual expenditures. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. The grant general ledger included 178 transactions, totaling \$762,257. We judgmentally selected a sample of 50 transactions from the grantee's general ledger totaling \$640,782. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. We did not identify significant exceptions in our testing of personnel costs, but our transaction testing identified \$1,530 in unallowable direct costs, \$738 in unsupported direct costs, and \$67,101 in fringe benefit expenditures that we determined were unsupported in our draft audit report. The following sections describe the results of that testing.

Direct Costs

In our sample of 50 transactions, we identified \$1,530 in unallowable expenditures that were incurred by Centura's community partner, and \$738 in direct cost expenditures that were not adequately supported by documentation. Unallowable expenditures consisted of items that were not included in the approved grant budget, such as bottled water, cell phone minutes, food, repairs, a mini fridge, membership dues, pepper spray, fundraising supplies, and items that were disallowed by Centura in one pay application but paid in two others. We recommend that OVW remedy \$1,530 in unallowable expenditures and \$738 in unsupported direct cost expenditures.

Personnel Expenditures

We reviewed salary and fringe benefit transactions covering two non-consecutive pay periods. Based on our review, we found that Centura's fringe benefit costs charged to the grant were unsupported.

According to the OVW Financial Grants Management Guide, charges for salaries, wages, and fringe benefits will be "based on payrolls documented in accordance with the generally accepted practice of the organization" and approved by responsible officials. For the two tested periods, our review determined that wages appeared to be supported by documentation and approved, and fringe benefits were charged to the grant in accordance with the 30-percent amount approved in the grant budget.¹ Centura officials provided documentation of lump sum payments made for STM staff for each benefit type, for the two tested periods. However, we were unable to trace fringe benefits charged to the grant to specific employees. Centura officials stated that the organization accounted for fringe benefits by accounting unit, not by individual employee. We requested this documentation during our audit, but Centura was not able to provide us with documentation of that accounting practice until after our draft audit report was issued. Therefore, in a draft of this report, we questioned all fringe benefits charged to the grant, totaling \$67,101. However, in its response to our draft audit report, Centura provided additional documentation, which we determined adequately supported the \$67,101 in questioned costs for fringe benefit payments. While we are concerned with Centura's ability to provide documentation of this accounting practice in a timely manner, we adjusted the unsupported questioned costs appropriately.

¹ Centura officials stated the hospital generally used a standard fringe benefit rate of 30.4-percent for hospital staff, consisting of 7.65-percent for Social Security and Medicare; 10.25-percent for health benefits; 5.5-percent for pension; 2-percent for workers compensation; and 5-percent for paid time off.

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. We calculated allowable indirect costs and compared those to the budgeted indirect cost amount and the indirect costs charged to the grant for each indirect cost rate period. Our indirect cost testing indicated that Centura had charged \$2,540 more than the calculated rate for the period from October 1, 2011, to June 30, 2013, but was not overcharged for the life of the grant. Because our testing indicated that indirect costs were not overcharged for the life of the grant, we do not take exception to the early discrepancy.

Budget Management and Control

According to the OVW Financial Grants Management Guide, the recipient is required to establish and maintain an accounting system and financial records to accurately account for funds awarded to them. Additionally, the grant recipient must obtain prior approval for a budget modification that transfers funds between 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 Centura transferred funds among budget categories in excess of 10-percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10-percent.

Drawdowns

According to the OVW Financial Grants Management Guide, an accounting system should be established to provide full accountability for revenues, expenditures, assets, and liabilities. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to OVW. Centura's drawdown policy required reimbursement of past expenditures. Grant business specialists receive expense documentation from program staff and review the documentation for allowability and support prior to requesting the drawdown. Supervisors then review and submit the drawdown request. As of January 11, 2016, Centura had drawn down \$749,121. To assess whether Centura managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules. We addressed those deficiencies in the Grant Expenditures section in this report.

Federal Financial Reports

According to the OVW Financial Grants Management Guide, FFRs contain the cumulative expenditures and unliquidated obligations incurred for the grant, as well as program income and indirect costs. To determine whether Centura submitted accurate FFRs, we compared the four most recent reports to Centura's accounting records for the grant.

We found that three of the four most recent FFRs did not match Centura's accounting records for the grant, because the grantee had not been following the FFR reporting timeframes as outlined in the OVW Financial Guide. When we compared the general ledger to the reporting timeframes that the grantee used, the FFRs were generally accurate. We recommend that OVW ensures that Centura follows the FFR reporting periods stated in the OVW Financial Grants Management Guide.

Conclusion

As a result of our audit testing, we conclude that Centura generally managed the grant that we reviewed appropriately and demonstrated adequate progress towards achieving the grant's stated goals and objectives, except for several instances of noncompliance. Further, this audit did not identify significant concerns regarding Centura's budget management or grant drawdowns. However, we found that Centura will have unused funds at the end of the grant period and did not comply with essential award conditions related to program performance, progress reports, grant special conditions, grant expenditures, and federal financial reports. Specifically, Centura: (1) will have unused funds at the end of the grant period, (2) did not currently provide a therapist through its community partner, as required by the grant, (3) did not collect and maintain documentation to fully support performance of grant objectives by its community partner, (4) submitted progress reports that were not adequately supported by documentation, (5) did not comply with four special conditions, (6) did not report the grant on its past Single Audit Reports, (7) charged unallowable and unsupported costs to the award, and (8) did not follow financial reporting timeframes. We provide nine recommendations to Centura to address these deficiencies.

Recommendations

We recommend that OVW:

1. Ensures that unused grant funds are deobligated.
2. Coordinates with Centura to ensure that FCS provides the intended therapist services to victims.
3. Coordinates with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.

4. Ensures that Centura maintains adequate documentation to support information provided in progress reports.
5. Ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.
6. Ensures that Centura develop and implement procedures to report all applicable federal funds on its Single Audit Report.
7. Remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.
8. Remedy the remaining \$738 of the \$67,839 in unsupported direct costs and fringe benefit payments questioned in the draft audit report.²
9. Ensures that Centura follows the FFR reporting periods stated in the OVW Financial Grants Management Guide.

² In a draft of this report, we initially questioned \$67,101 in unsupported fringe benefit expenditures based on inadequate supporting documentation. However, in its response to our draft report, Centura officials provided additional documentation, which we determined adequately supported the fringe benefit expenditures. While we are concerned with Centura's ability to provide documentation of this accounting practice in a timely manner, we adjusted the unsupported questioned costs to \$738. See Appendix 5 for further explanation.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, federal financial reports, budget management and control, drawdowns, expenditures, 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 Office on Violence Against Women (OVW) grant number 2011-WR-AX-0021 awarded to Centura Health dba St. Thomas More Hospital (Centura) under the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program (Rural Program). As of January 11, 2016, Centura had drawn down \$749,121 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 23, 2011, the grant award date, through May 2016, the end of our audit work.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Centura'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 audited grant. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The Office of Justice Programs (OJP) Financial Guide, OVW Financial Grants Management Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System (GMS), as well as Centura's accounting system specific to the management of Department of Justice (DOJ) 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> ³	AMOUNT	PAGE
<u>Unallowable Costs</u>		
Unbudgeted FCS expenditures	\$1,530	7
Total Unallowable Costs	\$1,530	
<u>Unsupported Costs</u>		
Unsupported Direct Costs	\$738	7
Total Unsupported Costs	\$738	
NET QUESTIONED COSTS ⁴	\$2,267	

³ **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.

⁴ Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

CENTURA HEALTH RESPONSE TO THE DRAFT AUDIT REPORT⁵



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stmhospital.org

September 21, 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, Colorado 80203

Dear Mr. Sheeren:

The following is Centura Health's official response to audit findings and recommendations presented in the draft audit report for *Department of Justice (DOJ) Office of the Inspector General's (OIG) audit of the Office on Violence Against Women Grant Number 2011-WR-AX-0021 awarded to Centura Health dba St. Thomas-More Hospital (Centura)*. Those findings and recommendations were summarized in the draft audit report as follows:

Specifically, Centura: (1) will have unused funds at the end of the grant period, (2) did not currently provide a therapist through its community partner, as required by the grant, (3) did not collect and maintain documentation to fully support performance of grant objectives by its community partner, (4) submitted progress reports that were not adequately supported by documentation, (5) did not comply with four special conditions, (6) did not report the grant on past Single Audit Reports, (7) expended \$1,530 in grant funds for unallowable items and \$67,839 that was not adequately supported by documentation, and (8) did not follow financial reporting timeframes. As a result of these deficiencies, we identified \$69,368 in total questioned costs.

Category One - Program Goals and Objectives

Findings indicate that the program objectives that were the sole responsibility of STM were being effectively achieved and documented, but that program goals that were the responsibility of the subrecipient Family Crisis Services Inc. (FCSI) were only partially on track for being accomplished, and not effectively being documented. Furthermore, OIG auditors found that there will be a remaining balance of obligated funds and recommend that the remaining funds be deobligated.

⁵ Attachments to this response were not included in this final report.

1. Operationalize a Sexual Assault Nurse Examiner (SANE) program at STM and add services through the hospital in Chaffee County.
 - a. **Findings:** Client numbers and staffing numbers were overestimated in the grant proposal, requiring the need to carry forward funds and request no-cost extensions beyond the original period of performance. Despite the extensions there will be funds remaining.
 - b. **Recommendation:** OIG recommends that remaining funds should be deobligated.
 - c. **Response:** The initial grant application was developed prior to this program's implementation, as funding was required to start the program. Program directors and FSCI coordinators used demographic and needs assessment information to create best estimates of proposed client levels and staffing needs. As the program matured, it became clear that the original program plans overestimated client need.

As such, with regard to the deobligation of remaining funds, Centura Health has submitted a budget modification GAN with a revised budget narrative more clearly articulating the allowability and program purpose of certain questioned costs. Centura agrees that, once DOJ OVV responds to that request with an approval or denial, any remaining funds should be deobligated.

Now that this program has matured, more accurate staffing and clientele numbers have been used to develop future grant proposals and other funding requests.
2. Improve the percentage of victims who have high-quality forensic evidence available for prosecution of sexual assault assailants.
 - a. **Findings:** [None] Planned equipment was purchased, appropriately tagged, and entered into the property management system in compliance with guidelines and grant budget requirements.
 - b. **Recommendations:** [None]
 - c. **Response:** N/A
3. Hire an additional advocate at FCSI to provide on-site shelter staffing and 24-hour response to the crisis hotline.
 - a. **Findings:** Accomplishment of this program goal was only partially verifiable.
 - b. **Recommendations:** [None]
 - c. **Response:** The STM SANE program director and grant compliance and administration staff have reviewed the findings related to inadequate documentation or verification of programmatic goals and Centura Health's established practices. They have determined that Centura Health will

develop more robust policies, procedures, and training for subrecipients to ensure adequate subrecipient program-performance documentation and oversight.

4. Expand and provide therapeutic services for up to 20 survivors of sexual assault victims per year at FCSI.

- a. **Findings:** FCSI officials could not provide supporting documentation for reported client treatment/engagement statistics. As a result, the OIG was unable to verify FCSI data reported in the progress reports. In addition, at the time of audit, FCSI was not employing a crisis center therapist as required by the original grant proposal.
- b. **Recommendations:** OIG recommends that OVV and Centura Health work together to develop a plan to ensure that Family Crisis Services Inc. (FCSI) has a therapist available to provide treatment and support for sexual assault victims.
- c. **Response:** The STM SANE program director and grant compliance and administration staff have reviewed the findings related to inadequate documentation or verification of programmatic goals and Centura Health's established practices. They have determined that Centura Health will develop more robust policies, procedures, and training for subrecipients to ensure adequate subrecipient program-performance documentation and oversight.

STM SANE program director will work with FCSI staff and OVV program managers to create a plan for regular staffing of this position, or alternative ways to provide therapy and support services to victims of sexual assault.

5. Expand area sexual assault education and awareness to nursing homes, patients, care givers, schools, and seniors.

- a. **Finding:** While STM appeared to be generally performing as intended under the grant, FCSI did not provide documentation to fully support its performance under grant objectives 3, 4, and 5.
- b. **Recommendation:** OVV coordinates with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.
- c. **Response:** The STM SANE program director and grant compliance and administration staff have reviewed the findings related to inadequate documentation or verification of programmatic goals and Centura Health's established practices. They have determined that Centura Health will develop more robust policies, procedures, and training for subrecipients to ensure adequate subrecipient program-performance documentation and oversight.

STM SANE program director will work with FSCI staff and OVV program managers to create a plan ensuring accurate documentation is developed and maintained to ensure that grant-funded program activities are adequately documented.

Category Two - Required Performance Reports

As stated in category one, findings in this category are as follows:

- a. **Finding:** Documentation did not support the statistics reported in progress reports 8 and 9. For those reports, STM maintained logs of victims that showed examination date, race, and age. However, FCSI provided demographic data for 2015 and a handwritten data summary, but did not provide verifiable source documentation for the reported statistics. Centura officials stated they requested supporting documentation from FCSI but did not receive it. Therefore, we were unable to verify the performance measures selected for both reports.
- b. **Recommendation:** OIG recommends that OVV ensures that Centura maintains adequate documentation to support information provided in progress reports.
- c. **Response:** The STM SANE program director and grant compliance and administration staff have reviewed the findings related to inadequate documentation or verification of programmatic goals and Centura Health's established practices. They have determined that Centura Health will develop more robust policies, procedures, and training for subrecipients to ensure adequate subrecipient program-performance documentation and oversight.

STM SANE program director will work with FSCI staff and OVV program managers to create a plan ensuring that program-performance reports only include verifiable and documented activities.

Category Three – Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the grant award. We evaluated the special conditions for the grant and selected a judgmental sample of the requirements that are significant to performance under the grant. OVV evaluated 15 special conditions for the grant and identified four instances where Centura was not in compliance with the grant's special conditions.

1. Special Condition 15 required Centura to submit FFRs on a quarterly basis, no more than 30 days from the end of the quarter.
 - a. **Finding:** Centura submitted quarterly FFRs, but three of the four most recent reports did not follow the required reporting periods.
 - b. **Recommendation:** OIG recommends that OVV ensures that Centura develop and implements procedures to assure compliance with all grant special conditions.

- c. **Response:** Changes in Centura accounting staff structure, changes in program staff, and changes in administration staff contributed to delays in receiving information necessary to submit FFR financial information in compliance with special condition 15. Centura Health will work with OWW to revise current policies and procedures to ensure that we generate adequate grant expense documentation in a timely fashion to allow for compliant submission of FFR reports.
2. **Special Condition 19** required Centura to submit one copy of all required reports and any other written materials or products that are funded under the project to OWW not less than 20 days prior to public release.
 - a. **Finding:** According to OWW's grant manager, Centura identified brochures in its progress reports but did not submit them to OWW.
 - b. **Recommendation:** OIG recommends that OWW ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.
 - c. **Response:** STM SANE program director will work with Centura Health communications staff and OWW program managers to create a plan ensuring all written materials or products that are funded under the project are reported to OWW not less than 20 days prior to public release.
3. **Special Condition 20** required that all materials and publications (written, visual, or sound) resulting from award activities shall contain disclaimer language: "This project was supported by Grant No. [2011-WR-AX-0021] awarded by the Office on Violence Against Women, U.S. Department of Justice. The opinions, findings, conclusions, and recommendations expressed in this publication/ program/ exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice, Office on Violence Against Women."
 - a. **Finding:** Centura Health officials provided two brochures created with the grant funds; neither brochure contained the required disclaimer language.
 - b. **Recommendation:** OIG recommends that OWW ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.
 - c. **Response:** STM SANE program director will work with Centura Health communications staff and OWW program managers to create a plan ensuring that all written, visual, and audio materials or products include required notifications as prescribed under special condition 20.
4. **Special Condition 23** required Centura to submit for OWW review and approval any anticipated changes to memorandum of understanding signatories. Centura updated its 2011 MOU with Family Crisis Services in January 2016.
 - a. **Finding:** According to OWW's grant manager, Centura did not submit the proposed MOU to OWW for review and approval.

- b. **Recommendation:** OIG recommends that OWW ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.
- c. **Response:** Centura Health Grant compliance and administration staff have reviewed the finding and Centura Health's established practices, and have determined that we will develop more robust policies, procedures, and training for staff to ensure understanding and compliance with special conditions related to program performance documentation and oversight.

Category Three – Grant Financial Management

- a. **Finding:** In reviewing Centura's SARs and financial management policies and procedures, OIG found that Centura submitted Single Audit Reports (SARs) for FYs 2013 and 2014, but did not include the OWW grant in those reports. The grant was included in Centura's FY 2015 SAR, which did not identify findings related to this grant or any other DOJ grants. According to OMB Circular A-133, a SAR includes the auditee's financial statements and federal awards, and should report award activity, including expenditures. Centura did not report the OWW grant in its 2013 and 2014 SARs, despite the occurrence of grant expenditures in those years.
- b. **Recommendation:** We recommend that OWW ensures that Centura develop and implement procedures to report all applicable federal funds on its Single Audit Report.
- c. **Response:** Centura Health will work with OWW to improve current Single Audit Reporting procedures to ensure that in the future all federal awards and expenditures are reported on the SEFA and appear on the SAR.

Category Four – Grant Expenditures

OIG judgmentally selected a sample of 50 transactions from the grantee's general ledger totaling \$640,782. OIG reviewed documentation, accounting records, and performed verification testing related to grant expenditures.

1. Unallowable Direct Costs

- a. **Findings:** In our sample of 50 transactions, we identified \$1,530 in unallowable expenditures that were incurred by Centura's community partner, and \$738 in direct cost expenditures that were not adequately supported by documentation. Unallowable expenditures consisted of items that were not included in the approved grant budget, such as bottled water, cell phone minutes, food, repairs, a mini fridge, membership dues, pepper spray, fundraising supplies, and items that were disallowed by Centura in one pay application but paid in two others.

- b. **Recommendations:** OIG recommends that OVV remedy \$1,530 in unallowable expenditures and \$738 in unsupported direct cost expenditures.
- c. **Response:** With regard to the \$1,530 in FCSI costs that are determined unallowable, Centura Health has submitted a budget modification to our OVV program manager. We believe that these costs were directly associated with, and in keeping with the grant's purpose. We provided OVV with a comprehensive budget justification, clarifying the programmatic use of these questioned costs. Centura Health is awaiting OVV's decision on that pending budget modification GAN.

With respect to the unsupported costs, including bottled water purchased for victims, and printed materials that included fundraising/donation appeals as part of the text, these costs were misidentified as printing and office supplies on invoices reviewed by grant administration staff. Centura Health will develop policies and procedures that ensure that grant managers, subrecipients, and grant administration staff are knowledgeable about unallowable costs such as these, and are trained to provide and require more detailed invoices.

Once Centura Health receives notice of approval or denial of the pending budget modification request, we agree with the OIG's recommendation that any remaining unallowable or unsupported costs be remedied by OVV.

2. Unsupported Personnel Costs

- a. **Findings:** OIG reviewed salary and fringe benefit transactions covering two non-consecutive pay periods. Based on their review, they found that Centura Health's fringe benefit costs charged to the grant were unsupported.

According to the OVV Financial Grants Management Guide, charges for salaries, wages, and fringe benefits will be "based on payrolls documented in accordance with the generally accepted practice of the organization" and approved by responsible officials. For the two tested periods, their review determined that wages appeared to be supported by documentation and approved, and fringe benefits were charged to the grant in accordance with the 30-percent amount approved in the grant budget. Centura officials provided documentation of lump sum payments made for STM staff for each benefit type, for the two tested periods. However, we were unable to trace fringe benefits charged to the grant to specific employees. Centura officials stated that the organization accounts for fringe benefits by accounting unit, not by individual employee, but they did not provide us with documentation of that accounting practice.

- b. **Recommendations:** OIG determined that all fringe benefits charged to the grant were unsupported, totaling \$67,101. OIG recommends that OVV remedy \$67,101 in unsupported fringe benefit expenditures.
 - c. **Response:** Included with this report (see Attachment) is the requested official documentation of Centura Health's accounting procedure. As such, Centura Health respectfully requests that the fringe benefit expenses be reclassified as supported and allowable, and that OVV pursue no remedy for these reported costs.
3. **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. We calculated allowable indirect costs and compared those to the budgeted indirect cost amount and the indirect costs charged to the grant for each IDC rate period.
- a. **Findings:** [None] OIG's indirect cost testing indicated that Centura had charged \$2,540 more than the calculated rate for the period from October 1, 2011, to June 30, 2013, but was not overcharged for the life of the grant. Because our testing indicated that indirect costs were not overcharged for the life of the grant, they do not take exception to the early discrepancy.
 - b. **Recommendations:** [None]
 - c. **Response:** [None]

Category Five – Budget Management and Control

According to the OVV Financial Grants Management Guide, the recipient is required to establish and maintain an accounting system and financial records to accurately account for funds awarded to them. Additionally, the grant recipient must obtain prior approval for a budget modification that transfers funds between budget categories if the proposed cumulative change is greater than 10-percent of the total award amount.

- a. **Findings:** We compared grant expenditures to the approved budgets to determine whether Centura transferred funds among budget categories in excess of 10-percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10-percent.
- b. **Recommendations:** [None]
- c. **Response:** [None]

Category Six – Drawdowns

According to the OVV Financial Grants Management Guide, an accounting system should be established to provide full accountability for revenues, expenditures, assets, and liabilities. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to OVV. Centura's drawdown policy required reimbursement of past expenditures. Grant business

specialists receive expense documentation from program staff and review the documentation for allowability and support prior to requesting the drawdown. Supervisors then review and submit the drawdown request. As of January 11, 2016, Centura had drawn down \$749,121. To assess whether Centura managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

- a. **Findings:** During this audit, OIG did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, OIG identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules. We addressed those deficiencies in the Grant Expenditures section in this report.
- b. **Recommendations:** [None]
- c. **Response:** Found in Grant Expenditures section of this response.

Category Seven – Federal Financial Reports

According to the OVV Financial Grants Management Guide, FFRs contain the cumulative expenditures and unliquidated obligations incurred for the grant, as well as program income and indirect costs. To determine whether Centura submitted accurate FFRs, we compared the four most recent reports to Centura's accounting records for the grant.

- a. **Findings:** OIG found that three of the four most recent FFRs did not match Centura's accounting records for the grant, because the grantee had not been following the FFR reporting timeframes as outlined in the OVV Financial Guide. When OIG compared the general ledger to the reporting timeframes that the grantee used, the FFRs were generally accurate.
- b. **Recommendations:** We recommend that OVV ensures that Centura follows the FFR reporting periods stated in the OVV Financial Grants Management Guide.
- c. **Response:** As a result of this finding, Centura Health recognizes deficiencies in processes of reporting grant-related expense activity between Centura accounting and grant administration staff. Centura accounting and grant administration staff will work together to develop effective procedures that ensure timely, accurate and compliant FFR submissions.

Summary of Recommendations and Responses

OIG recommends that OVV:

1. Ensures that unused grant funds are deobligated.
 - a. **Response:** The initial grant application was developed prior to this program's implementation, as funding was required to start the program. Program directors and FSCI coordinators used demographic and needs assessment information to create best estimates of proposed client levels

and staffing needs. As the program matured, it became clear that the original program plans overestimated client need.

As such, with regard to the deobligation of remaining funds, Centura Health has submitted a budget modification GAN with a revised budget narrative more clearly articulating the allowability and program purpose of certain questioned costs. Centura agrees that, once OVV responds to that request with an approval or denial, any remaining funds should be deobligated.

2. Coordinates with Centura to ensure that FCSI provides the intended therapist services to victims.
 - a. **Response:** Centura Health will work with OVV to ensure that intended therapist service are provided to victims of sexual assault under this program.
3. Coordinates with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.
 - a. **Response:** Centura Health will work with OVV develop more robust policies, procedures, and training for program staff and subrecipients to ensure adequate subrecipient program-performance documentation and oversight.
4. Ensures that Centura maintains adequate documentation to support information provided in progress reports.
 - a. **Response:** Centura Health will work with OVV develop more robust policies, procedures, and training for program staff and subrecipients to ensure adequate Centura and subrecipient program-performance documentation and oversight.
5. Ensures that Centura develop and implement procedures to assure compliance with all grant special conditions.
 - a. **Response:** Centura Health will work with OVV to revise current policies and procedures to assure compliance with all grant special conditions.
6. Ensures that Centura develop and implement procedures to report all applicable federal funds on its Single Audit Report.
 - a. Centura Health will work with OVV to improve current Single Audit Reporting procedures to ensure that in the future all federal awards and expenditures are reported on the SEFA and appear on the SAR.
7. Remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.
 - a. **Response:** Centura Health has submitted a budget modification GAN with a revised budget narrative that more clearly articulates the \$1,530 in questioned costs and their relation to the program purpose. Centura

Health agrees that, once DOJ OWW responds to that request with approval or denial, any remaining funds should be deobligated.

8. Remedy \$67,839 in unsupported expenditures associated with the following issues:
 - a. \$738 in unsupported direct costs.
 - i. **Response:** Centura Health agrees that OWW should remedy the \$738 in unsupported direct costs.
 - b. \$67,101 in unsupported fringe benefit payments.
 - i. **Response:** Included with this report (see Attachment) is the requested official documentation of Centura Health's accounting procedure. As such, Centura Health respectfully requests that the fringe benefit expenses be reclassified as supported and allowable, and that OWW pursue no remedy for these reported costs.
9. Ensures that Centura follows the FFR reporting periods stated in the OWW Financial Grants Management Guide.
 - a. **Response:** As a result of this finding, Centura Health recognizes deficiencies in processes of reporting grant-related expense activity between Centura accounting and grant administration staff. Centura accounting and grant administration staff will work together to develop effective procedures that ensure timely, accurate and compliant FFR submissions.

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



U.S. Department of Justice


Office on Violence Against Women


Washington, DC 20530

October 6, 2016

MEMORANDUM

TO: David M. 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) Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program Grant Awarded to Centura Health dba St. Thomas-More Hospital, Canon City, Colorado

This memorandum is in response to your correspondence dated September 1, 2016 transmitting the above draft audit report for Centura Health dba St. Thomas-More Hospital. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 9 recommendations which include \$69,368 in net questioned costs. OVW is committed to working with the grantee to address and bring these recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Ensure that unused grant funds are deobligated.

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that unused grant funds are deobligated.

2. Coordinates with Centura to ensure that FCS provides the intended therapist services to victims.

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that FCS provides the intended therapist services to victims.

3. Coordinates with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.

OVW does agree with the recommendation. We will coordinate with the grantee ensure that they collect and maintain adequate documentation to fully support performance of all grant objectives.

4. Ensure that Centura maintains adequate documentation to support information provided in progress reports.

OVW does agree with the recommendation. We will coordinate with the grantee to OJP and the grantee to ensure that they maintain adequate documentation to support information provided in progress reports.

5. Ensure that Centura develop and implement procedures to assure compliance with all grant special conditions.

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that they develop and implement procedures to assure compliance with all grant special conditions.

6. Ensure that Centura develop and implement procedures to report all applicable federal funds on its Single Audit Report.

OVW does agree with the recommendation. We will coordinate with the grantee to ensure the they develop and implement procedures to report all applicable federal funds on its Single Audit Report.

7. Remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.

OVW does agree with the recommendation. We will coordinate with the grantee to remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.

8. Remedy the \$67,839 in unsupported expenditures associated with the following issues:

- a. \$738 in unsupported direct costs.**
- b. \$67,101 in unsupported fringe benefit payments.**

OVW does agree with the recommendation. We will coordinate with the grantee to

remedy the \$67,839 in unsupported expenditures.

9. Ensure that Centura follows the FFR reporting periods stated in the OVW Financial Grants management Guide.

OVW does agree with the recommendation. We will coordinate with the grantee to ensure that they follow the FFR reporting periods stated in the OVW Financial Grants management Guide.

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

Charlotte Turpin
Program Manager
Office on Violence Against Women (OVW)

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 Centura Health dba St. Thomas More Hospital (Centura) and the Office on Violence Against Women (OVW). Centura's response is incorporated in Appendix 3 of this final report, and OVW's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OVW concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation:

1. Ensure that unused grant funds are deobligated.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure that unused grant funds are deobligated.

In its response to the draft audit report, Centura stated it agrees that any remaining grant funds should be deobligated.

This recommendation can be closed when we receive documentation evidencing that OVW has deobligated Centura's unused funds from Grant Number 2011-WR-AX-0021.

2. Coordinate with Centura to ensure that FCS provides the intended therapist services to victims.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure that Family Crisis Services (FCS) provided the victim therapy services stated in the grant application.

In its response to the draft audit report, Centura stated it would work with OVW to ensure that intended therapist services are provided to victims of sexual assault under this program.

This recommendation can be closed when we receive documentation evidencing that FCS has provided the intended therapist services to victims under the grant.

3. Coordinate with Centura to ensure that it collects and maintains adequate documentation to fully support performance of all grant objectives.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure that it collects and maintains documentation to fully support performance of all grant objectives.

In its response to the draft audit report, Centura stated it would work with OVW to develop more robust policies, procedures, and training for program staff and subrecipients to ensure adequate subrecipient program performance documentation and oversight.

This recommendation can be closed when we receive documentation that Centura has developed and implemented procedures to collect and maintain adequate documentation to fully support subrecipient program performance.

4. Ensure that Centura maintains adequate documentation to support information provided in progress reports.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure that it maintains adequate documentation to support information provided in progress reports.

In its response to the draft audit report, Centura stated it would work with OVW to develop more robust policies, procedures, and training for program staff and subrecipients to ensure adequate Centura and subrecipient program performance documentation and oversight.

This recommendation can be closed when we receive documentation that Centura has developed and implemented procedures to ensure that it maintains adequate documentation for program performance stated in its progress reports.

5. Ensure that Centura develops and implements procedures to assure compliance with all grant special conditions.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure that it develops and implements procedures to assure compliance with all grant special conditions.

In its response to the draft audit report, Centura stated it would work with OVW to revise current policies and procedures to assure compliance with all grant special conditions.

This recommendation can be closed when we receive documentation evidencing that Centura has developed and implemented procedures to assure compliance with all grant special conditions.

6. Ensure that Centura develops and implements procedures to report all applicable federal funds on its Single Audit Report.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure it develops and implements procedures to report all applicable federal funds on its Single Audit Report.

In its response to the draft audit report, Centura stated it would work with OVW to improve current Single Audit Reporting procedures to ensure that in the future all federal awards and expenditures are reported on the Single Audit Report.

This recommendation can be closed when we receive documentation evidencing that Centura has developed and implemented procedures to ensure that all federal awards and expenditures are reported on its Single Audit Report.

7. Remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to remedy \$1,530 in unallowable expenditures to purchase items that were not included in the approved grant budget.

In its response to the draft audit report, Centura stated it has submitted a budget modification request with a revised budget narrative that more clearly articulates the \$1,530 in questioned costs and their relation to the program purpose.

This recommendation can be closed when we receive documentation evidencing that OVW has approved Centura's budget modification request or otherwise adequately remedied the \$1,530 in unallowable expenditures.

8. Remedy the remaining \$738 of the \$67,839 in unsupported direct and fringe benefit payments questioned in the draft audit report.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to remedy the \$67,839 in unsupported expenditures.

In its response to the draft audit report, Centura stated it agrees that OVW should remedy the \$738 in unsupported direct costs. In reference to the \$67,101 in unsupported fringe benefit payments, we requested

documentation of fringe benefit allocation procedures during our audit. However, Centura was unable to provide the documentation at that time. With its response to the draft report, Centura provided documentation of its corporate accounting procedure for allocation of fringe benefits and requested closure of the unsupported fringe benefit payments. While we are concerned with Centura's ability to provide documentation of this accounting practice in a timely manner, we reviewed the documentation and determined the \$67,101 in questioned costs for fringe benefit payments are now adequately supported in accordance with the OVW Financial Grants Management Guide.

This recommendation can be closed when we receive documentation evidencing that OVW has remedied the \$738 in unsupported direct costs.

9. Ensure that Centura follows the FFR reporting periods stated in the OVW Financial Grants Management Guide.

Resolved. In its response, OVW concurred with our recommendation. OVW stated it would coordinate with Centura to ensure it follows the FFR reporting periods stated in the OVW Financial Grants Management Guide.

In its response to the draft audit report, Centura stated it recognizes deficiencies in its processes of reporting grant expenses between Centura accounting and grant administration staff. Centura stated it would work to develop effective procedures that ensure timely, accurate and compliant FFR submissions.

This recommendation can be closed when we receive documentation evidencing that Centura has developed and implemented procedures to ensure FFRs follow the required reporting periods.

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