



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



Audit of the Office on Violence Against Women Grants Awarded to the North Carolina Coalition Against Domestic Violence, Durham, North Carolina

Audit Division GR-40-17-003

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REDACTED – FOR PUBLIC RELEASE

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, DURHAM, NORTH CAROLINA

EXECUTIVE SUMMARY*

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) has completed an audit of three grants awarded to the North Carolina Coalition Against Domestic Violence (Coalition) in Durham, North Carolina by the Office on Violence Against Women (OVW). These grants are the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program grant (rural grant), and two State and Territorial Sexual Assault and Domestic Violence Coalition Program grants awarded in 2014 and 2015 (2014 and 2015 sexual assault and domestic violence grants). The purpose of the rural grant is to: enhance the safety of rural victims of sexual assault, domestic violence, dating violence and stalking; and support projects designed to address and prevent these crimes in rural areas. The purpose of the sexual assault and domestic violence grants was to: coordinate state and territorial victim services activities; collaborate and coordinate with federal, state, territorial, and local entities engaged in antiviolence against women activities; and support the maintenance and expansion of sexual assault state and territorial coalitions. As of February 14, 2017, the Coalition had drawn down \$983,434 of a combined \$1,314,685 in grant awards for the three grants.

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 of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and Federal Financial Reports.

As a result of our audit testing, we concluded that the Coalition generally complied with essential grant requirements and conditions. However, we determined the Coalition could not provide adequate documentation to support all program accomplishments. We also found instances where Coalition officials did not follow their entity's financial policies and procedures requiring the review of reconciled credit card report forms.

Our report contains two recommendations to the OVW, which we detail later in this report. We discuss our audit objective, scope, and methodology in Appendix 1. We discussed the results of our audit with Coalition officials and have included their comments in the report, as applicable. In addition, we requested a

* We made redactions to the full version of this report for privacy reasons. The redactions are contained in Appendices 2 and 3, the grantee's and the OVW's response, respectively, and are of individuals' names.

response to our draft report from the Coalition and the OVW, and their responses are appended to this report as Appendices 2 and 3, respectively. Our analysis of the responses, as well as a summary of actions necessary to close the report, can be found in Appendix 4 of this report.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO THE NORTH CAROLINA COALITION AGAINST
DOMESTIC VIOLENCE, DURHAM, NORTH CAROLINA**

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, DURHAM, NORTH CAROLINA

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) has completed an audit of three grants awarded to the North Carolina Coalition Against Domestic Violence (Coalition) in Durham, North Carolina by the Office on Violence Against Women (OVW). These grants are the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program grant (rural grant), and two State and Territorial Sexual Assault and Domestic Violence Coalition Program grants awarded in 2014 and 2015 (2014 and 2015 sexual assault and domestic violence grants).¹ The purpose of the rural grant is to: enhance the safety of rural victims of sexual assault, domestic violence, dating violence and stalking; and support projects designed to address and prevent these crimes in rural areas. The purpose of the sexual assault and domestic violence grants was to: coordinate state and territorial victim services activities; collaborate and coordinate with federal, state, territorial, and local entities engaged in antiviolence against women activities; and support the maintenance and expansion of sexual assault state and territorial coalitions. The grants totaled \$1,314,685, as shown in Table 1.

Table 1
OVW’s Awards to the Coalition

| Award Number | Award Date | Project Start Date | Project End Date | Award Amount |
|-----------------|------------|--------------------|------------------|--------------------|
| 2014-WR-AX-0023 | 09/19/2014 | 10/01/2014 | 09/30/2017 | \$1,150,008 |
| 2014-DW-AX-0010 | 09/08/2014 | 09/01/2014 | 08/31/2015 | \$81,795 |
| 2015-DW-AX-0021 | 09/25/2015 | 09/01/2015 | 08/31/2016 | \$82,882 |
| Total: | | | | \$1,314,685 |

Source: The Office of Justice Program’s Grant Management System

The Grantee

The Coalition is a non-profit organization that seeks to provide coordinated, safe, and effective services to domestic violence victims; and to reduce the incidence of domestic violence, sexual assault, dating violence, and stalking.

¹ OVW’s State and Territorial Sexual Assault and Domestic Violence Coalitions Program grants provide funding to two subgroups: State and Territorial Sexual Assault and Domestic Violence Coalitions (referred to as the State and Territorial Program) and Sexual Assault Services Program for Coalitions (referred to as the Coalition Program). Nonprofit organizations are eligible to apply for Coalition Program awards.

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 of the grants; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and Federal Financial Reports.

We tested compliance with what we consider to be the most important requirements and conditions of the grants. The criteria we audited against are contained in the 2015 DOJ Grants Financial Guide (Financial Guide), 2014 OVW Financial Grants Management Guide (OVW Financial Guide), Office of Management and Budget (OMB) Circulars, and award documents. The results of our analysis are discussed in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

Program Performance and Accomplishments

According to the Financial Guide, grant recipients must ensure that source documentation is available to support all data collected for each performance measure required by the grant program. To determine whether the Coalition demonstrated adequate progress towards achieving program goals and objectives, we reviewed performance and progress reports the Coalition submitted to the OVW. We also interviewed Coalition officials about program accomplishments, and assessed the Coalition's compliance with grant award special conditions. We found the Coalition made progress toward achieving the grants' objectives. However, we also found the Coalition could not support all grant accomplishments it reported to the OVW.

Program Goals and Objectives

According to the Coalition's grant application, the goal of the rural grant is to support and enhance the capacity of rural communities to provide a strong system of direct assistance to sexual assault and domestic violence survivors and to build community capacity to prevent first time perpetration of these crimes. To accomplish this goal, the Coalition stated that it would:

- increase the identification, assessment, and appropriate response to sexual assault and domestic violence victims in rural communities by building collaborative efforts among victim service providers, law enforcement agencies, prosecutors, courts, and other community providers;
- increase the safety and well-being of women and children in rural communities by dealing directly with sexual assault and domestic violence occurring in rural communities; and

- create and implement relevant strategies to increase awareness and prevent the first-time perpetration of sexual assault and domestic violence victims.

According to the Coalition's grant application, the goal of the 2014 and 2015 sexual assault and domestic violence grants was to create stronger partnerships and increase the capacity among North Carolina domestic violence advocates and professionals to enhance the safety of domestic violence victims and their children and to end domestic violence. To accomplish this goal, the Coalition stated that it would:

- coordinate state and local victim services activities; and
- collaborate and coordinate with federal, state, and local programs engaged in activities to end violence against women.

Required Performance Reports

Under the Government Performance and Results Act and the authorizing legislation for the grants, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities. Grantees must submit semiannual progress reports that describe project activities. To verify accomplishments the Coalition reported to the OVW, we judgmentally selected six progress reports from the three grants to test. We performed our testing by tracing all of the reported accomplishments from the grants to supporting documentation.

For the rural grant, we tested all accomplishments the Coalition reported on two progress reports submitted for periods July 1 through December 31, 2015, and January 1 through June 30, 2016. As shown in Table 2, the Coalition could not provide adequate support for four of the eight accomplishments tested.

Table 2

The Coalition's Reported Accomplishments for the Rural Grant

| Accomplishment | Progress Report | Number Reported | Number Supported | Explanation |
|---|------------------------|------------------------|-------------------------|---|
| Conducted training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | July – December 2015 | 34 | 34 | Adequately supported |
| Provided workshops, on-site training, and conferences for domestic violence advocates and allied professionals | July – December 2015 | 463 | 259 | Partially supported |
| Held 25 speaking engagements, workshops, and other public activities on behalf of the Coalition | July – December 2015 | 25 | 25 | Adequately supported |
| Reported that 2,031 people attended community education events | July – December 2015 | 2,031 | 0 | Could not provide sign-in sheets or other documentation |
| Held 40 training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | January – June 2016 | 40 | 40 | Adequately supported |
| Held 36 speaking engagements, workshops, and other public activities on behalf of the Coalition | January – June 2016 | 36 | 36 | Adequately supported |
| Held training sessions on court advocacy, legal issues, and policy issues for 731 local domestic violence and sexual assault programs attendees | January – June 2016 | 731 | 284 | Partially supported |
| Reported that 2,582 people attended community education events | January – June 2016 | 2,582 | 0 | Could not provide sign-in sheets or other documentation |

Source: Coalition progress reports and case files

For the 2014 sexual assault and domestic violence grant, we tested all accomplishments the Coalition reported on two progress reports submitted for the periods January 1 through June 30, 2015, and July 1 through December 31, 2015. As shown in Table 3, the Coalition could not provide adequate support for three of the eight accomplishments tested.

Table 3

The Coalition's Reported Accomplishments for the 2014 Sexual Assault and Domestic Violence Grant

| Accomplishment | Progress Report | Number Reported | Number Supported | Explanation |
|--|------------------------|------------------------|-------------------------|----------------------|
| Held 13 training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | January – June 2015 | 13 | 13 | Adequately supported |
| Create 1,200 newsletters for Coalition members, allied professionals, and the general public | January –June 2015 | 1,200 | 1,200 | Adequately supported |
| Provided workshops, on-site training, and conferences for 256 domestic violence advocates and allied professionals | January –June 2015 | 256 | 74 | Partially supported |
| Wrote newsletter inserts about programmatic best practices, funding opportunities, training activities, and legal and policy issues | January –June 2015 | 26 | 26 | Adequately supported |
| Held training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | July – December 2015 | 4 | 4 | Adequately supported |
| Provided workshops, on-site training, and conferences for domestic violence advocates and allied professionals | July – December 2015 | 108 | 75 | Partially supported |
| Wrote inserts about programmatic best practices, funding opportunities, training activities, and legal and policy issues for the Advocate Newsletter | July – December 2015 | 9 | 9 | Adequately supported |
| Responded to requests for technical assistance for domestic violence programs, survivors, and allied professionals | July – December 2015 | 326 | 129 | Partially supported |

Source: Coalition progress reports and case files

For the 2015 sexual assault and domestic violence grant, we tested all accomplishments the Coalition reported on two progress reports submitted for the periods January 1 through June 30, 2016, and July 1 through December 31, 2016.

As shown in Table 4, the Coalition could not provide adequate support for four of the seven accomplishments tested.

Table 4
The Coalition’s Reported Accomplishments for the 2015 Sexual Assault and Domestic Violence Grant

| Accomplishment | Progress Report | Number Reported | Number Supported | Explanation |
|--|------------------------|------------------------|-------------------------|---|
| Held training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | July – December 2015 | 9 | 9 | Adequately supported |
| Provided workshops, on-site training, and conferences for domestic violence advocates and allied professionals | July – December 2015 | 404 | 0 | Could not provide sign-in sheets or other documentation |
| Wrote inserts about programmatic best practices, funding opportunities, training activities, and legal and policy issues for the Advocate Newsletter | July – December 2015 | 17 | 17 | Adequately supported |
| Responded to requests for technical assistance for domestic violence programs, survivors, and allied professionals | July – December 2015 | 441 | 50 | Partially supported |
| Held training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs | January - June 2016 | 10 | 10 | Adequately supported |
| Responded to requests for technical assistance for domestic violence programs, survivors, and allied professionals | January - June 2016 | 468 | 95 | Partially supported |
| Provided workshops, on-site training, and conferences for domestic violence advocates and allied professionals | January - June 2016 | 286 | 107 | Partially supported |

Source: Coalition progress reports and case files

The Coalition’s Response Systems Coordinator told us that she could not locate sign-in sheets or other documentation for the unsupported or partially supported grant accomplishments. The Coordinator also told us the Coalition does not typically retain sign-in sheets once attendees’ contact information has been entered into a Coalition database. Without adequate supporting documentation, the OVW cannot determine if the Coalition accomplished its program objectives.

We recommend that the OVW ensures that the Coalition maintains support documentation for all grant accomplishments.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with a grant award. We tested a special condition contained in the 2014 sexual assault and domestic violence grant. This special condition required the Coalition obtain prior approval for travel to attend non-OVW sponsored events. The Coalition requested approval for three such events totaling \$6,051. We tested this condition by comparing all Coalition travel to non-OVW events to the OVW approvals for the travel. We found an approval for all of the travel tested.

Grant Financial Management

According to the Financial Guide, grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to account accurately for grant awards. An adequate accounting system should allow for effective control and accountability over grant funds. To assess the Coalition's grant financial management practices, we interviewed Coalition officials and reviewed the Coalition's financial policies and procedures. We also reviewed the Coalition's Single Audit Report for FY 2014 and its Report on Compliance for Major Federal Programs for FY 2015. During our audit testing and as discussed below, we identified transactions paid from grant funds that did not comply with the Coalition's own financial policies and procedures requiring a review of reconciled credit card report forms.

We identified six transactions totaling \$676 for which there was no evidence of a review using a Coalition credit card report form as required by the Coalition's policy. Under that policy, staff issued a credit card must reconcile their monthly statement using the Coalition's credit card report form. Coalition policy requires that a reconciliation report and original purchase receipts be submitted to the employee's supervisor for approval. Additionally, these reconciliations are required to be reviewed by a supervisor each month. We found six transactions that had no evidence of a supervisory review, which would require signing or initialing the form. The Director of Finance told us that the supervisor missed signing the credit card reports.

Compliance with these internal controls would help ensure that grant funds are only used for authorized purposes. While we found no evidence of fraud, we believe that non-compliance with these controls increases the risk of fraud and grant mismanagement. We recommend that the OVW ensures that Coalition employees are aware of the Coalition's policies and procedures requiring the review of reconciled credit card report forms.

Single Audit

According to OMB Circular A-133, prior to 2015, an entity expending more than \$500,000 in federal funds in 1 year is required to perform a Single Audit

annually. The Coalition expended \$545,432 in DOJ funds during FY 2014, which required the city to undergo a Single Audit. The Coalition's FY 2014 Single Audit Report identified significant deficiencies related to internal controls over the entity's grant financial management. Specifically, the report identified ineffective internal controls over drawdowns of grant funds, a lack of segregated financial duties, and ineffective internal controls over the recording of cash disbursements and inconsistent month-end close procedures.

In response to these findings, the Coalition stated that it had hired a new Director of Finance in August 2014, designed and implemented controls over the drawdown process, and implemented a system to track and review grant progress and unexpended balances. The Coalition stated that it was able to segregate conflicting duties because it had hired a new Director of Finance. It also stated that it had designed and implemented procedures to properly record transactions in the appropriate accounting period. Although the Coalition was not required to have a Single Audit performed for FY 2015, it did have a financial statement audit performed for that year. The FY 2015 financial statement audit did not contain the internal control deficiencies noted in the FY 2014 Single Audit Report.

Because the FY 2014 internal control weaknesses and non-compliance issues involved the Coalition's management of Federal awards, we expanded our testing of the Coalition's grant expenditures.

Monitoring Subrecipients

According to the Financial Guide, grantees should develop systems, policies, and procedures to ensure that subrecipient reviews are conducted in accordance with Federal program and grant requirements, laws, and regulations. The purpose of subrecipient monitoring is to ensure that a subaward is being used for authorized purposes and in compliance with grant program requirements. To pursue the objectives of the rural grant, the Coalition partnered with 14 non-profit entities located in North Carolina. As subrecipients, these entities shared responsibility for carrying out the objectives of the rural grant.

To determine if the Coalition adequately monitored its subrecipients, we requested evidence of monitoring activities. In response, the Coalition's Response Systems Coordinator gave us copies of rural grant meeting reports, financial reports of four judgmentally selected subrecipients, and training agendas. We reviewed this documentation and found evidence that the Coalition was monitoring its subrecipients.

Grant Expenditures

According to the Financial Guide, allowable costs are those identified in OMB Circulars and the award program's authorizing legislation. In addition, costs must be reasonable, allocable, and necessary to the project. We reviewed the Coalition's grant expenditures to determine if the expenditures were allowable, properly approved, accurately recorded in the accounting records, supported by appropriate documentation, and properly charged.

The Coalition used award funds for personnel including fringe benefits, travel, supplies, and contractual expenditures. We tested a combined 235 transactions that totaled \$88,880 or 9 percent of the \$983,434 in grant awards the Coalition drew down as of February 14, 2017. We performed our testing by comparing grant expenditures to Coalition supporting documentation such as invoices, receipts, payroll records, and timesheets.

Personnel Costs

For the rural grant, we tested \$11,649 in personnel costs paid to five employees. For the 2014 sexual assault and domestic violence grant, we tested \$9,013 in personnel costs paid to four employees. For the 2015 sexual assault and domestic violence grant, we tested \$9,983 in personnel costs paid to four employees. We judgmentally selected three non-consecutive pay periods from each grant period. We found that the costs were computed correctly, properly authorized, accurately recorded, allowable, and properly allocated to the awards.

Other Direct Costs

We judgmentally selected for testing 155 direct cost transactions that totaled \$58,235. For the rural grant, we tested 75 transactions totaling \$30,609. These transactions were adequately supported, approved, allowable, and reasonable.

For the 2014 sexual assault and domestic violence grant, we tested 45 transactions totaling \$18,261. For two transactions occurring October 2014 and April 2015, the Coalition reimbursed with grant funds employee travel expenses totaling \$32 that included alcoholic beverages. The Financial Guide prohibits the use of grant funds to purchase alcohol. The Director of Finance told us the expenses containing these alcoholic beverages were included in meals the Executive Director purchased using her Coalition credit card. The Coalition provided us with documentation showing that these costs were repaid to the grant in November 2014 and May 2015. Because the costs were repaid, we make no recommendation. The remaining transactions we tested were adequately supported, approved, allowable, and reasonable.

For the sexual assault and domestic violence grant, we selected 35 transactions totaling \$9,365. We found that \$627 was paid for hotel lodging that exceeded the Federal per diem rate of \$226 per night, resulting in an overcharge of \$175.² The hotel expense was for 2 nights in the District of Columbia during June 2016. The Director of Finance told us this charge occurred because the Federal per diem rate was either not checked, or overlooked if checked. We consider this cost immaterial and consequently make no recommendation.

² According to the Financial Guide, in the absence of an organization's reasonable and established travel policy, the organization must comply with Federal travel guidelines, including per diem rates. We were not aware of a Coalition established travel policy at the time of our testing.

We also found that in May 2016 the Coalition paid \$206 from grant funds for copier service. From our review of the Coalition's records, we determined that the appropriate charge to the grant should have been \$59, thus \$147 was unallowable. The Director of Finance told us that the unallowable charge resulted from a data entry error in the Coalition's financial system, which is QuickBooks. We consider this cost immaterial and consequently make no recommendation. The remaining transactions we tested were adequately supported, approved, allowable, and reasonable.

Budget Management and Control

According to the OVW Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system that includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice for a budget modification that reallocates funds among budget categories. This budget modification is necessary if the proposed cumulative change is greater than 10 percent of the total award amount. We determined that the 10 percent rule did not apply to the 2014 and 2015 sexual assault and domestic violence grants because those grants did not exceed \$100,000. The 10 percent rule was applicable to the rural grant.

We compared rural grant expenditures to the approved budget to determine whether the Coalition transferred funds among budget categories in excess of 10 percent. We determined that, at the time of our testing, the cumulative difference between expenditures and budget categories was not greater than 10 percent.

Drawdowns

According to the Financial Guide, grant recipients must 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. To assess whether the Coalition managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the Coalition's accounting records. The Coalition's drawdown requests are on a reimbursement basis. As of February 14, 2017, the Coalition had drawn down a total of \$983,434 for all three grants as shown in Table 5.

Table 5
Summary of Coalition
Drawdowns as of February 14, 2017

| Grant Number | Drawdowns |
|---------------------|------------------|
| 2014-WR-AX-0023 | \$780,620 |
| 2014-DW-AX-0010 | \$81,795 |
| 2015-DW-AX-0021 | \$121,019 |
| Total | \$983,434 |

Source: The OVW

We determined that the Coalition properly accounted for its drawdown requests.

Federal Financial Reports

According to the Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each Federal Financial Report (FFR) as well as cumulative expenditures. To determine whether the Coalition submitted accurate FFRs, we tested four FFRs for each grant. We compared the FFRs to expenditures in the Coalition’s accounting records. As shown in Table 6, the federal share of expenses reported on the FFRs matched the Coalition’s accounting records for 7 of the 12 FFRs tested. For the remaining five FFRs that did not match, we consider the discrepancies immaterial and make no recommendation.

Table 6
Comparison of Federal Share of Expenditures Reported on Federal Financial Reports to Coalition Accounting Records

| Award Number | Quarter Ended | Amount Reported on Federal Financial Report | Amount Reported on Accounting Records | Difference |
|-----------------|---------------|---|---------------------------------------|------------|
| 2014-WR-AX-0023 | 09/30/2015 | \$91,639 | \$91,639 | \$0 |
| | 12/31/2015 | \$89,454 | \$89,454 | \$0 |
| | 03/31/2016 | \$89,520 | \$89,394 | \$126 |
| | 06/30/2016 | \$105,029 | \$105,154 | \$(125) |
| 2014-DW-AX-0010 | 12/31/2014 | \$17,830 | \$17,330 | \$500 |
| | 03/31/2015 | \$21,723 | \$22,223 | \$(500) |
| | 06/30/2015 | \$26,513 | \$26,513 | \$0 |
| | 08/31/2015 | \$7,063 | \$7,164 | \$(101) |
| 2015-DW-AX-0021 | 09/30/2015 | \$8,250 | \$8,250 | \$0 |
| | 12/31/2015 | \$27,350 | \$27,350 | \$0 |
| | 03/31/2016 | \$17,176 | \$17,176 | \$0 |
| | 06/30/2016 | \$20,400 | \$20,400 | \$0 |

Source: OIG analysis of Coalition records

Conclusion

As a result of our audit testing, we conclude that the Coalition generally complied with essential grant requirements and conditions. However, we determined that the Coalition could not provide adequate documentation to support all program accomplishments. We also found instances where Coalition officials did not follow their entity’s financial policies and procedures requiring the review of reconciled credit card report forms. We provide two recommendations to address these deficiencies.

Recommendations

We recommend that the OVW:

1. Ensure the Coalition maintains supporting documentation for all grant accomplishments.
2. Ensure all Coalition employees are aware of the Coalition's policies and procedures requiring the review of reconciled credit card report forms.

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 of the grants; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and Federal Financial Reports.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of three Office on Violence Against Women (OVW) grants awarded to the Coalition. These grants were the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program grant (rural grant), and two State and Territorial Sexual Assault and Domestic Violence Coalitions Program grants awarded in 2014 and 2015 (2014 and 2015 sexual assault and domestic violence grants). As of February 14, 2017, the Coalition had drawn down \$983,434 in combined grant awards.¹ Our audit concentrated on, but was not limited to September 8, 2014, through February 2017.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the Coalition'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 audited against were contained in the 2015 DOJ Grants Financial Guide, 2014 OVW Financial Grants Management Guide, Office of Management and Budget Circulars, and award documents.

During our audit, we obtained information from OJP's Grants Management System, or other applicable system as well as the Coalition's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified

¹ We audited grant numbers 2014-DW-AX-0010 for \$81,795, 2014-WR-AX-0023 for \$1,150,008, and 2015-DW-AX-0021 for \$82,882.

involving information from those systems was verified with documentation from other sources.

**NORTH CAROLINA COALITION
AGAINST DOMESTIC VIOLENCE
RESPONSE TO THE DRAFT AUDIT REPORT**

██████████ (OIG)

From: Agatha Eggers <agatha.egggers@nccadv.org>
Sent: Wednesday, May 24, 2017 4:38 PM
To: ██████████ (OIG)
Cc: ██████████
Subject: RE: Draft Audit Report of the Office on Violence Against Women Grants Awarded to the North Carolina Coalition Against Domestic Violence Durham, North Carolina
Attachments: DOJ Audit Accomplishments - additional info summary.docx; Evaluations and sign in Sheets - Jan to Jun 2015 - 2014-DW-AX-0010.zip; Evaluations and sign in sheets - Jul to Aug 2015 - 2014-DW-AX-0010.zip; Call Report (TA) 2014 DOJ Jul-Aug 2015.pdf

Dear ██████████,

This is our official response to your letter dated 5/22/2017. **Please confirm receipt of this email and attachments – attachments are too large, so attachments are being sent in multiple emails forthcoming.**

Performance Accomplishments – (report page 4-6)

We have searched our paper an electronic records over the past weeks (since our phone call in April) and have come up with additional documentation to help support our reported accomplishments as noted in the draft audit report (pages 4-6) that you sent yesterday. Please see attachments and please review first the document titled “DOJ Audit Accomplishments – additional info summary.” This document is a guide to the remaining attachments. We hope that this additional documentation will meet the documentation requirements to adequately support the accomplishments previously reported on these three grants.

Review of credit card reports – (report page 7)

Your report states that “We found six transactions that had no evidence of an Executive Director review, which would require signing or initialing the form”.

Our financial policies state “Each staff member bearing a credit card must reconcile their credit card statement using a credit card report form. The reconciliation report shall be accompanied by original receipts for each purchase and submitted to the employee’s supervisor for approval. Approved credit card reconciliations shall be submitted to the Financial Director and a Co-Executive Director monthly.”

I believe that the deficiency found in your audit was related to the supervisor’s approval signature on few credit card reports, not specifically the Executive Director. We are requesting that this sentence be clarified to read that “...there was no evidence of the Supervisor’s review....” rather than specifying the ED specifically. In particular, I believe that some of the transactions referenced were not signed by a different supervisor while she was on leave.

Single Audit – (report page 7-8)

On page 8 the report notes deficiencies found in our 2014 audit. Is there a reason that our 2015 audit is not also included? The 2015 audit found that the majority of issues were resolved and there were fewer deficiencies in that period (once the new Director of Finance was in place for a full fiscal year). Also, the time period that your audit tested primarily included 2015 and 2016, so referencing only the 2014 audit seems limited. (Our fiscal year is January to December).

We are requesting that the additional supporting documents attached are reviewed and that changes be made to the Audit Report before its final issuance.

Please let me know if you have follow up questions or need anything else from us.

Sincerely,
Agatha

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



U.S. Department of Justice


Office on Violence Against Women


Washington, DC 20530

June 22, 2017

MEMORANDUM

TO: Ferris Polk
Regional Audit Manager
Atlanta Regional Audit Office

FROM: Nadine M. Neufville 
Acting Director
Office on Violence Against Women

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

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Grants Awarded to the North Carolina Coalition Against Domestic Violence, Durham, North Carolina

This memorandum is in response to your correspondence dated May 22, 2017 transmitting the above draft audit report for the North Carolina Coalition Against Domestic Violence (NCCADV). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains two recommendations with no associated questioned costs. Upon review of the Audit Report and the associated recommendations, OVW is providing the necessary response and supporting documents to close this report. The following is our analysis of the audit recommendations.

1. Ensure the Coalition maintains supporting documentation for all grant accomplishments.

OVW does partially agree with the recommendation and have attached a memo explaining why this recommendation is not an accurate analysis of the how the community related events are documented as well as to provide a correction to the table on page 4 of the report. We

request partial closure of this recommendation and will continue to work with the grantee to ensure the Coalition maintains supporting documentation for all grant accomplishments.

2. Ensure all Coalition employees are aware of the Coalitions policies and procedures requiring the review of reconciled credit card report forms.

OVW does agree with the recommendation but has attached the necessary documents to ensure that all Coalition employees are aware of the Coalition policies and procedures requiring the review of reconciled credit card report forms. We request closure of this recommendation.

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.
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Program Manager
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U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

June 9, 2017

MEMORANDUM

TO: Ferris Polk
Regional Audit Manager
Atlanta Field Office
Office of the Inspector General

FROM: [REDACTED] [REDACTED]
Program Analyst

THROUGH: Donna Simmons *DS*
Associate Director, Grants Financial Management Division (OVW)

Rodney Samuels *RS*
Audit Liaison (OVW)

CC: [REDACTED]
Grant Program Specialist (OVW)

SUBJECT: Re: Draft Audit Report - Audit of the Office on Violence Against Women
Grants Awarded to the North Carolina Coalition Against Domestic Violence,
Durham, North Carolina

PURPOSE

This memo responds to progress report-related findings in a draft OIG audit report. It clarifies the purposes of OVW grantee progress reports and explains why OVW cautions against drawing conclusions about the grantee's performance based on the grantee's failure to provide supporting documentation for one specific metric. It also corrects an error in the draft report.

BACKGROUND

OVW requires its grantees to submit periodic progress reports that include numeric and narrative data on work performed under the grant. Grant monitoring is the principal purpose of these reports, as they give OVW Program Specialists (i.e., grant monitors) information to assess whether a grantee is adhering to administrative, statutory, and programmatic requirements; making progress toward project goals, operating within the scope of the grant program; and reporting activities that appear reasonable in comparison to reported expenditures. Progress reports are also used to identify technical assistance needs and promising practices. Aggregate data culled from progress reports are used to gauge the extent to which grantees are aligning their work with evidence-based and promising practices, to fulfill Congressional reporting requirements, and to respond to ad hoc data requests.

MEMORANDUM

SUBJECT: Re: Draft Audit Report - Audit of the Office on Violence Against Women Grants Awarded to the North Carolina Coalition Against Domestic Violence, Durham, North Carolina

The DOJ Office of the Inspector General (OIG) has increasingly focused on grantee progress reports when conducting audits of OVW grantees. This scrutiny serves our shared objective of ensuring that federal grant funds are spent prudently and according to their intended purpose. However, OVW is concerned that, in some instances, the OIG's focus on particular metrics and conclusions drawn from auditing progress reports veer from OVW's expectations for grantee performance and reporting.

OVW does not dispute the progress report-related findings in the OIG's draft audit report of NCCADV, but submits this memo to provide context for findings related to attendee numbers at community education events, reported under the Coalition's Rural grant, and a note of caution about drawing conclusions about the grantee's performance based on those specific findings.

DISCUSSION

The OIG's audit of the Coalition's Rural grant (2014-WR-AX-0023) tested reported metrics including the numbers of training sessions held, numbers and types of professionals attending those trainings, and numbers of people attending community education events. The report specifies which metrics were fully supported or partially supported, and which could not be supported because of a lack of available documentation. The grantee reported that 2,031 people attended community education events in one six-month period, and 2,582 attended in another six-month period. The draft audit report notes that these numbers could not be verified because the grantee could not supply documentation, such as sign-in sheets.

OVW wishes to clarify that the nature of community education events may be such that obtaining an accurate count of attendees is virtually impossible, and a lack of documentation to support reported numbers is not, from a grant monitoring standpoint, a cause for concern. Community education events can include staffing a booth at a county fair, speaking at a community forum, and public service announcements broadcasted on local radio stations. While some grantees may estimate the number of attendees at these events based on the numbers of brochures distributed, or a radio station's statistics on the number of listeners at a given time of day, OVW expects imprecision in reporting the numbers of people attending community education events. Unlike a training convened with OVW grant funds, for which a grantee typically keeps records of training registrations and sign-in sheets, OVW is aware that grantees may face practical limitations in reporting the numbers of attendees at community education events. Therefore, unlike other metrics in progress reports—such as numbers of victims served or number of trainings held—OVW is comfortable accepting rough estimates of community education event attendance from grantees, and tells them as much when training grantees on progress reporting.

Secondly, the draft report contains an error. The table on page 4, which lists the tested metrics for the Rural grant, reads: "Held 731 training sessions on court advocacy, legal issues, and policy issues for local domestic violence and sexual assault programs," from the January-June 2016 reporting period. However, the grantee reported training 731 *people* during 40 training *sessions*.

CONCLUSION

This memo provides context for considering that a grantee could not supply documentation to the OIG to support the reported number of people attending community education events. It also corrects an error in the draft report.

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

The Department of Justice (Department) Office of the Inspector General (OIG) provided a draft of this audit report to the Office on Violence Against Women (OVW), and the North Carolina Coalition Against Domestic Violence (Coalition). The Coalition's response is incorporated in Appendix 2, while the OVW's response is incorporated in Appendix 3 of this final audit report. Based on these responses, we made minor changes to our audit report, which had no material effect on our findings.

The Coalition did not state whether it concurred or did not concur with the recommendations. The Coalition made comments regarding our analysis of its fiscal year (FY) 2014 Single Audit report, although we made no recommendation regarding the report. We address those comments below.

The OVW partially concurred with recommendation 1 and fully concurred with recommendation 2. However, because the OVW proposed adequate action to resolve recommendation 1, we consider the report resolved. We address below the basis for the OVW's partial concurrence with recommendation 1. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Analysis of the Coalition's Response

The Coalition inquired as to why we did not discuss, in addition to its FY 2014 Single Audit report, the results of its FY 2015 audit report, which was not a Single Audit. The Coalition stated that its 2015 audit found that the majority of issues discussed in the Single Audit report were resolved. The Coalition added that there were fewer deficiencies in the 2015 report once the new Director of Finance was in place. Further, the Coalition stated that based on the audit period tested (which included 2015 and 2016), referencing only the FY 2014 Single Audit report seemed limited.

As we discussed on page 8 of the report, prior to 2015, Office of Management and Budget Circular A-133 required entities expending more than \$500,000 in federal funds in 1 year to have a Single Audit. During FY 2014, the Coalition expended \$545,432 in DOJ funds, thus requiring a Single Audit for that year. We found no evidence the Coalition met or exceeded the Single Audit threshold for the other years during our audit period of review. We discussed the internal control deficiencies noted in the FY 2014 Single Audit report because those deficiencies were the basis of our expanded audit testing. However, in response to the concerns expressed by the Coalition, we added to page 8 of this report a brief discussion of the Coalition's FY 2015 financial statement audit.

Analysis of the OVW's Response

The OVW made comments pertaining to a requirement for grant recipients to collect and maintain data that measure the effectiveness of grant-funded activities. Recommendation 1 is based on our determination that the Coalition could not provide adequate documentation to support all program accomplishments. As an example, for the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Assistance Program grant (Award Number 2014-WR-AX-0023), we found the Coalition could not adequately support four of eight accomplishments it reported to the OVW. We discuss these unsupported accomplishments beginning on page 3 of the report. The accomplishments include workshops, on-site training, conferences, community education events, and training sessions on court advocacy and legal and policy issues.

In response to our finding, the OVW stated it is concerned that, in some instances, our focus on particular metrics and conclusions drawn from auditing progress reports differs from the OVW's expectations for grantee performance and reporting. The OVW stated that the nature of community education events may be such that obtaining an accurate count of attendees is virtually impossible, and a lack of documentation to support reported numbers is not a cause for concern. The OVW also stated grantees may face practical limitations in reporting the number of attendees at community education events. The OVW added that, unlike with other metrics in progress reports, it is comfortable accepting from grantees rough estimates of attendance at community education events and tells them as much when training grantees on progress reporting.

As we discussed beginning on page 3 of this report, the Government Performance and Results Act (GPRA) and the authorizing legislation for the OVW grants require grantees to collect and maintain data that measure the effectiveness of grant-funded activities. Moreover, a key element of the GPRA Modernization Act of 2010 is for federal agencies to measure, analyze, and communicate performance information to improve the effectiveness and efficiency of government.¹ Accordingly, grant recipients must submit progress reports that describe their project activities. The Department has communicated the importance of performance data in making decisions. In its FY 2016 Annual Performance Report, the Department stated performance reporting is a companion to the budget process.² Also, the Department has instructed that performance information is vital to making resource allocation decisions and should be an integral part of the budget.³

¹ Jacob J. Lew, Director, Executive Office of the President, Office of Management and Budget, memorandum to the Heads of Departments and Agencies, Delivering on the Accountable Government Initiative and Implementing the Government Performance and Results Act Modernization Act of 2010, April 14, 2011.

² U.S. Department of Justice, Office of the Attorney General (OAG), *FY 2016 Annual Performance Report and FY 2018 Annual Performance Plan*, May 2017.

³ OAG, *FY 2016 Annual Performance Report*.

Once obtained, it is equally important for performance data to be accurately reported. Grant accomplishments recipients report to the OVW are provided to Congress and other stakeholders. The 2016 Biennial Report to Congress on the Effectiveness of Grant Programs Under the Violence Against Women Act reports on the performance of the OVW grants awarded to the Coalition.⁴ This report also provides insight on the effectiveness of grant funds and current research on best practices to respond to domestic and dating violence, sexual assault, sex trafficking, and stalking.

These critical uses of performance data underscore the importance for grant recipients to collect and maintain accurate performance data, which can be independently verified. The OVW's allowance of rough estimates that are not always supported by adequate documentation increases the risk that data relied upon by Congress, the Department, and stakeholders is inaccurately reported.

Recommendations for the OVW:

1. Ensure the Coalition maintains supporting documentation for all grant accomplishments.

Resolved. The OVW partially concurred with the recommendation. It stated that the recommendation is not an accurate analysis of how community related events are documented. We responded to these comments above and do not address them again here. The OVW also stated that it will continue to work with the Coalition to ensure that it maintains supporting documentation for all grant accomplishments. The Coalition did not state whether it concurred or did not concur with the recommendation. However, it stated that it searched its records for additional documentation to help support its reported accomplishments and provided this documentation to us. We determined that these new records adequately supported some, but not all of the accomplishments we previously determined were unsupported. Accordingly, we revised the results of our analysis to show the accomplishments that are adequately supported.

This recommendation can be closed when we review the Coalition's procedures that ensure it maintains supporting documentation for all grant accomplishments.

⁴ U.S. Department of Justice, Office on Violence Against Women, *The 2016 Biennial Report to Congress on the Effectiveness of Grant Programs Under the Violence Against Women Act*.

2. Ensure all Coalition employees are aware of the Coalition's policies and procedures requiring the review of reconciled credit card report forms.

Closed. The OVW concurred with the recommendation. It stated that it attached the necessary documents to ensure that all Coalition employees are aware of Coalition policies and procedures requiring the review of reconciled credit card report forms. The Coalition did not state whether it concurred or did not concur with the recommendation. However, the Coalition did state that it believed this deficiency was related to the supervisor's approval signature on a few credit card reports, not specifically the Executive Director. Additionally, the Coalition provided an excerpt from its employee manual regarding credit card authorization and use and also provided signed acknowledgement forms from 16 Coalition employees. The excerpt stated that each staff member bearing a credit card must reconcile their credit card statement using a credit card report form. The excerpt also stated the reconciliation report shall be accompanied by original receipts for each purchase and submitted to the employee's supervisor for approval. The excerpt also stated that approved credit card reconciliations shall be submitted to the Financial Coordinator and a Co-Executive Director monthly.

This recommendation is closed based on our review of the Coalition policy and the signed acknowledgment forms.

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