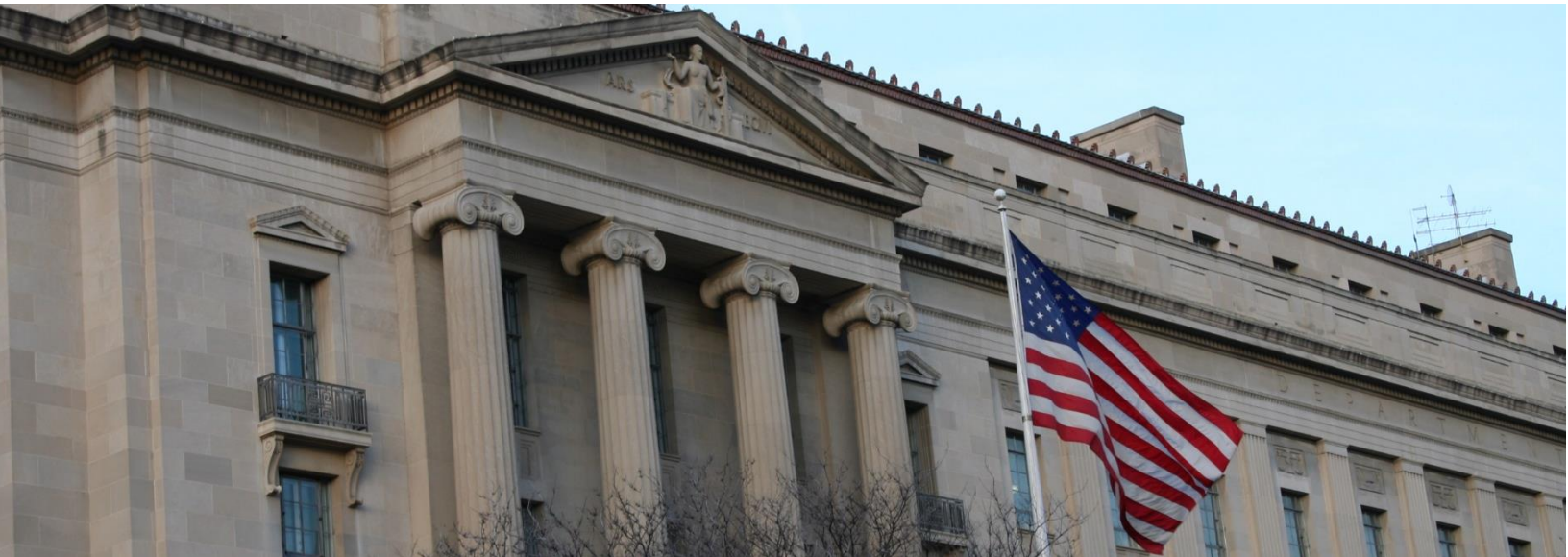




# Office of the Inspector General U.S. Department of Justice

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



## **Audit of the Office on Violence Against Women Technical Assistance Grants Awarded to Clery Center for Security on Campus, Strafford, Pennsylvania**



# Executive Summary

*Audit of the Office on Violence Against Women Technical Assistance Grants Awarded to Clery Center for Security on Campus, Strafford, Pennsylvania*

## Objectives

The Office on Violence Against Women (OVW) awarded the Clery Center for Security on Campus (Clery Center) three grants totaling \$1,350,005 for training and technical assistance. The objectives of this audit were 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 award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

## Results in Brief

As a result of our audit, we concluded that Clery Center managed 98 percent of the grant funds we reviewed appropriately, accomplished the FY 2009 grant's stated goals and objectives and as of June 2017, demonstrated adequate progress towards achieving the goals and objectives for the ongoing grants for FY 2015 and 2016. However, we also found that the Clery Center needed to make specific improvements to its controls and ensure adherence to established policies and procedures to fully comply with grant management requirements. More specifically, we identified issues in essential areas of grant administration we tested, including grant expenditures, financial management, and reporting. Based on the results of our testing, we identified \$13,359 in total questioned costs.

## Recommendations

Our report contains seven recommendations to assist Clery Center to improve its grant management and administration. We requested a response to our draft audit report from Clery Center and OVW, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

## Audit Results

The purposes of the three grants we reviewed were to provide training and technical assistance (TA) about the Clery Act to institutions of higher education, and also coordinate training and technical assistance for Campus Program TA providers. The project period for the grants was from August 2009 through September 2019. As of March 7, 2017, Clery Center drew down a cumulative amount of \$549,199 for all of the grants we reviewed.

**Consultants** – The audit identified \$6,133 in consulting expenditures that were unallowable because Clery Center contracted with a consulting firm at hourly rates exceeding the maximum permitted by OVW without prior written approval.

**Accounting Services** – The audit identified \$5,419 in expenditures that were unallowable because Clery Center spent the funds to pay an accounting firm for bookkeeping services without prior budget approval.

**Monitoring Subrecipients** – We found that Clery Center did not adequately monitor to ensure that its subrecipients complied with OVW guidelines requiring a fair and transparent process in hiring and setting compensation rates for professional consultants.

**Rent Allocation** – We found that Clery Center relied on the budget to allocate rent charges to the grant instead of the actual amounts, and did not retain adequate documentation demonstrating how it calculated the rent expenditures allocated to the grant.

**Indirect Cost Expenditures** – The audit identified \$1,807 in indirect costs that were unallowable because they exceeded the allowable amount based on the indirect cost rate and base approved by OVW.

**Budget Management** – We found that the Clery Center is not able to use its financial management system alone to compare actual spending by OVW budget category with the amounts approved by OVW.

**Federal Financial Reports (FFR)** – We found that the Clery Center submitted FFR's in which the quarterly and cumulative grant expenditures and indirect costs that it reported were inaccurate.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
TECHNICAL ASSISTANCE GRANTS AWARDED TO  
THE CLERY CENTER FOR SECURITY ON CAMPUS,  
STRAFFORD, PENNSYLVANIA**

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**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
TECHNICAL ASSISTANCE GRANTS AWARDED TO  
THE CLERY CENTER FOR SECURITY ON CAMPUS,  
STRAFFORD, PENNSYLVANIA**

**INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three grants awarded by the Office on Violence Against Women (OVW), Technical Assistance Program to the Clery Center for Security on Campus (Clery Center) in Strafford, Pennsylvania. The Clery Center was awarded three grants totaling \$1,350,005, as shown in Table 1.

**Table 1  
Grants Awarded to the Clery Center**

<b>Award Number</b>	<b>Award Date</b>	<b>Project Start Date</b>	<b>Project End Date</b>	<b>Award Amount</b>
2009-TA-AX-K066	9/25/2009	8/1/2009	9/30/2015	\$ 350,005
2015-TA-AX-K059	9/29/2015	10/1/2015	9/30/2017	\$ 200,000
2016-TA-AX-K075	9/26/2016	10/1/2016	9/30/2019	\$ 800,000
<b>Total:</b>				<b>\$ 1,350,005</b>

Source: OVW Award Documents

Funding through this Technical Assistance Program is intended to support OVW grantees with the training, expertise, and problem-solving strategies they need to meet the challenges of addressing sexual assault, domestic violence, and stalking. The funding also supports and enhances the efforts of existing and potential grantees to successfully implement the projects supported by OVW.

**The Clery Center for Security on Campus**

The Clery Center is a national non-profit organization with a mission to provide guidance on campus safety regulation. The Clery Center’s mission is to help institutions of higher education meet the standards of the Jeanne Clery Act, a consumer protection law passed in 1990 that aims to provide transparency around crime policy and statistics. The law was named after Jeanne Clery, a 19-year old who was raped and murdered in her college dormitory in 1986. The Clery Center has 12 members on its staff.

**OIG Audit Approach**

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants; and to determine whether the Clery Center demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program

performance, expenditures, financial management, budget management and control, federal financial reports, and drawdowns. We tested compliance with what we consider to be the most important conditions of the grants. The OVW and OJP Financial Guides, and the award documents contain the primary criteria we applied during the audit.<sup>1</sup>

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objectives, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

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<sup>1</sup> OVW did not publish financial guides that covered the period of our audit from September 2009 through January 2012 and stated that for that period, grantees were required to apply criteria from the most updated financial guides published by the Office of Justice Programs (OJP).

# AUDIT RESULTS

## Program Performance and Accomplishments

We reviewed required progress reports, grant documentation, and interviewed officials from the Clery Center and OVW. Based on our review, we determined that the Clery Center accomplished the FY 2009 grant's stated goals and objectives and is also demonstrating adequate progress in achieving these goals and objectives for the FY 2015 and 2016 grants. We also reviewed a sample of the special conditions identified in the award documentation and, based on our testing, found the Clery Center to be in compliance.

### *Program Goals and Objectives*

The Clery Center received the FY 2009 and 2015 Technical Assistance (TA) grants to provide training to colleges and universities that have received "Campus Program" grants from OVW to address sexual assault, domestic violence, dating violence, and stalking. The Clery Center's primary purpose for these two TA grants was to provide guidance and assist the "Campus Program" grant recipients in implementing their grants in compliance with the Jeanne Clery Act.<sup>2</sup> The FY 2015 grant also required the Clery Center to update its training to incorporate the 2013 revisions to the "Violence Against Women Act" (VAWA). At the conclusion of the FY 2009 grant period in September 2015, the Clery Center accomplished the grant objectives by providing training at six conferences, and also traveling to two campuses to provide technical assistance as directed by OVW. As of June 2017, the Clery Center has also completed the required training at the eight conferences for which it received the FY 2015 grant, demonstrating adequate progress in achieving the stated goals.

For the 2016 grant, the Clery Center was to consolidate training for eight organizations, including itself, that received OVW technical assistance (TA) grants, and to develop a database that maintains records of all technical assistance provided by the TA grant recipients.<sup>3</sup> One of OVW's expected outcomes in providing this funding was more efficient coordination between the eight organizations in providing technical assistance to the "Campus Program" grant recipients. Unlike the other TA grants we audited, the purpose of the 2016 funding was for the Clery Center to arrange for the training, and that the training cover various technical areas that were not limited to the Clery Act. The Clery Center was

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<sup>2</sup> The Jeanne Clery Act is a consumer protection law passed in 1990 that aims to provide transparency in crime policy and statistics [20 U.S.C. § 1092(f)-The Jeanne Clery Disclosure of Campus Security Policy and Campus Statistics Act].

<sup>3</sup> The eight technical assistance grant recipients were: 1) The Clery Center for Security on Campus; 2) The Mississippi Coalition Against Sexual Assault; 3) East Central University's Safety Training and Technical Assistance for Administrators, Boards, and Law Enforcement; 4) Green Dot; 5) University of New Hampshire; 6) University of Colorado, Denver Center on Domestic Violence; 7) Men Can Stop Rape; and 8) Casa de Esperanza.

expected to coordinate nine training conferences throughout the grant’s 36-month period, with the funding to be used for training facilities and instructors.<sup>4</sup> As of June 2017, the Clery Center appeared to demonstrate adequate progress in achieving the goals by coordinating three of the nine conferences, and Clery Center officials told us that it completed obtaining approval from OVW on its proposal to purchase a new module to develop the TA database.

*Progress Reports*

OVW requires its grant recipients to submit progress reports semiannually to provide information relevant to the performance and activities of the program. The reports are due 30 days after the end of the reporting periods ending on June 30<sup>th</sup> and December 31<sup>st</sup>. We selected a sample of four progress reports including reports from each of the three grants. We reviewed supporting documentation maintained by the Clery Center and determined that the information it reported was accurate. The Clery Center also submitted the four reports timely.

**Grant Expenditures**

Between October 2009 and March 2017, the Clery Center charged a total of \$601,891 in expenditures to the three grants we audited. These expenditures included professional consultants, contracts, supplies, travel, and other expenses, such as rent, printing and utilities, salary, fringe benefits, and indirect costs. The following table summarizes this information.

**Table 2**  
**Expenditure Summary for Clery Center Grants from January 2010 through March 2017**

<b>Expenditure Type</b>	<b>2009-TA-AX-K066</b>	<b>2015-TA-AX-K059</b>	<b>2016-TA-AX-K075</b>	<b>Total</b>
Professional Consultants	\$83,969	\$913	\$7,950	\$92,832
Contracts, Supplies, Travel, and Other	79,058	16,639	61,863	157,560
Salary	163,868	98,281	44,993	307,142
Fringe Benefits	0	13,486	7,761	21,247
Indirect Costs	23,110	0	0	23,110
<b>Total</b>	<b>\$350,005</b>	<b>\$129,319</b>	<b>\$122,567</b>	<b>\$601,891</b>

Note: Totals may not add due to rounding.

Source: OIG Analysis

*Professional Consultants*

We reviewed 43 transactions totaling \$85,210, approximately 92 percent of the \$92,832 in professional consulting expenditures the Clery Center charged to the three grants, to determine if they were allowable and supported. We found that the

<sup>4</sup> While the Clery Center was responsible for paying for the training instructors, the respective TA organizations were responsible for hiring the instructors and paying for the instructors’ travel costs.



Clery Center charged \$6,133 in unallowable expenditures to the FY 2009 grant for professional consulting. Specifically, between 2010 and 2013, the Clery Center contracted with a consulting firm at hourly rates exceeding the maximum permitted by OVW without prior written approval.<sup>5</sup> Although Clery Center officials were aware of the maximum daily rate according to the guideline, they computed the hourly contractual rates on the basis of an incorrect number of hours per workday. As a result, we recommend that OVW remedy the \$6,133 in unallowable consulting expenditures.

The Clery Center also charged \$5,419 in unallowable expenditures to pay an accounting firm for which it did not have prior budget approval as required by OVW guidelines. Clery Center officials told us that because the accounting firm provided bookkeeping, and the grant budget included the position of bookkeeper as an approved personnel position, they thought it would be allowable to use part of the salary budgeted for its bookkeeper to instead pay the firm. We recommend that OVW remedy the \$5,419 in unallowable expenditures.

To reduce the risk of fraud, OVW requires grant recipients to follow a fair and transparent process in hiring professional consultants and to ensure a reasonable rate of pay. In implementing the FY 2009 grant, the Clery Center directly hired and set compensation rates for professional consultants, and we determined that it had a properly designed procurement process to ensure transparency and fairness. However, in implementing its FY 2016 grant, the Clery Center did not adequately monitor to ensure that its subrecipients complied with these guidelines as OVW requires. For the 2016 grant, the Clery Center received funds to coordinate training logistics for other providers and pay their training instructors. We found that the Clery Center did not maintain oversight to ensure that the providers hired instructors by following a fair and transparent process. We recommend that OVW ensure that the Clery Center implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding the hiring of grant-funded professional consultants.

### *Contracts, Supplies, Travel, and Other Expenditures*

We determined that the Clery Center generally has adequate internal controls and written policies and procedures to ensure compliance with OVW requirements for procurement, but officials told us that they relied on the budget to allocate rent to the grant instead of the actual amounts it charged. However, we compared the budgeted allocation of rent to the actual expenditures charged and did not find material differences. Therefore we did not report the charges as questioned costs. However, this practice is inadequate because the allocation factors initially considered in formulating the budgeted amounts can vary in applicability from that time going forward, presenting a risk of the grant recipient misallocating charges according to its intended methodology. We recommend that OVW ensure that the Clery Center implements policies and procedures to retain documentation that

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<sup>5</sup> Grantees are required to obtain a grant adjustment notice for compensation for consultant services in excess of \$650 per 8-hour day, or \$81.25 per hour. Prior to February 2012, the ceiling was \$450 per 8-hour day, or \$56.25 per hour.

demonstrates how it calculates actual rent expenditures allocated to the grant, as required by 2 C.F.R. § 200.403(g).

We also reviewed a sample of 10 transactions totaling \$8,910, approximately six percent of the \$157,560 total charged to the grants, for contracts, supplies, travel, and other expenditures such as printing and utilities. Based on our testing, we did not question any costs.

#### *Personnel and Fringe Benefit Expenditures*

##### Salary

The Clery Center charged \$307,143 in total salaries to the three grants we audited between October 2009 and March 2017. We reviewed a sample of 25 transactions totaling \$42,772, approximately 14 percent of salaries charged, and determined that the salaries were all allowable and supported.

##### Fringe Benefits

OVW approved fringe benefits in the FY 2015 and 2016 grant budgets that included Social Security, Medicare, health insurance, pension, workman's compensation, and unemployment compensation. The Clery Center charged a total of \$21,247 to the grants between October 2015 and March 2017. We reviewed fringe benefits for pay periods in both grants and found that they were allowable, supported, and allocated properly based on the amount of salaries charged to the grants in those respective periods.

##### *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. OVW approved indirect costs in the budget for the FY 2009 grant. We reviewed the accounting records and determined that while the Clery Center charged the grant \$23,110, only \$21,303 was allowable based on the approved indirect cost rate. We found that Clery Center officials did not document the methodology applied to calculate the indirect costs charged the grant, and could not determine a cause for this difference. We recommend that OVW remedy \$1,807 in unallowable indirect cost expenditures.

#### **Grant Financial Management**

OVW guidelines require all grant recipients and subrecipients to maintain adequate accounting systems and financial records, and accurately account for funds awarded to them. Also, the Code of Federal Regulations (2 CFR § 200.302) requires that recipients' financial management systems provide for comparison of expenditures with budgeted amounts. During our audit, we found that the Clery Center uses a commercially available accounting system for its grant financial management, which tracks the expenditures from each grant separately within its

system as required. However, we determined that the Clery Center is not recording the related OVW budget categories associated with each expenditure in its financial management system. As a result, the Clery Center is not able to use the system alone to compare actual spending by OVW budget category with the amounts approved by OVW. We recommend that OVW ensure that the Clery Center implements policies and procedures to provide an accurate comparison of grant expenditures with budgeted amounts, based on the cost categories approved by OVW.

## **Budget Management and Control**

Grant recipients are required to initiate a Grant Adjustment Notice (GAN) for budget modifications when reallocating funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount. At the time of our audit, we determined that Clery's actual expenditures for the FY 2015 and 2016 grants were in compliance with the related grant budgets and it was not necessary for Clery to initiate any GANs. We also determined that for the FY 2009 grant, Clery initiated GAN's as required to modify its budget above 10 percent.

## **Federal Financial Reports**

In order for OVW to know the status of funds for a project, it requires grant recipients to submit quarterly Federal Financial Reports (FFR) that specify the grant expenditures made during the quarterly period and the cumulative expenditures to date for a grant. Grantees are required to submit these reports no later than 30 days after the last day of each quarter. If the report is delinquent, a grantee will not be able to draw down funds until the FFR is submitted.

We found that the Clery Center submitted FFR's that were timely but inaccurate. We reviewed the expenditures from the last 10 quarterly reports it submitted for the three grants, covering the period between October 2014 and December 2016, and found none of the quarterly, cumulative, or indirect cost amounts that we tested matched the accounting records for the respective periods. In this sample, the discrepancy between expenditures reported compared to the financial management system was 21 percent. Officials told us that they did not report the quarterly expenditures based on the transaction dates recorded in its financial management system and, as a result, made numerous computation errors. We recommend OVW ensure that the Clery Center implements policies and procedures to submit accurate FFR reports.

## **Drawdowns**

The term drawdown is used to describe the process when a grant recipient requests funding under an approved grant award agreement. OVW allows grant recipients two options for taking drawdowns. The recipient can either request a drawdown to reimburse past grant expenditures or take drawdowns in advance, but

it must spend advance drawdowns within 10 calendar days after receiving the funding or return the unspent funds to DOJ.

Between January 2010 and February 2017, the Clery Center drew down \$350,005 from the fiscal year (FY) 2009 grant, \$118,168 from the FY 2015 grant, and \$81,026 from the FY 2016 grant. We found that between December 2010 and December 2011, the Clery Center made six advance drawdowns that it did not spend within 10 calendar days or return the funds to DOJ. However, we determined that since that period, the Clery Center has made drawdowns only as reimbursements and has implemented a process to ensure compliance with this requirement. We reviewed this process that has been in effect since the start of the FY 2015 grant, determined that it is properly designed, and verified that the Clery Center is following this updated process accordingly.

## **CONCLUSION AND RECOMMENDATIONS**

As a result of our audit testing, we concluded that the Clery Center managed 98 percent of the grant funds we reviewed appropriately, accomplished the FY 2009 grant's stated goals and objectives and as of June 2017, demonstrated adequate progress towards achieving them for the ongoing grants for FY 2015 and 2016. However, we also found that the Clery Center needed to make specific improvements to its controls and ensure adherence to established policies and procedures to fully comply with grant management requirements. More specifically, we identified issues in essential areas of grant administration we tested, including grant expenditures, financial management, and reporting. We provide seven recommendations to OVW to address these deficiencies.

We recommend that OVW:

1. Remedy \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.
2. Remedy \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.
3. Ensure that the Clery Center implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding the hiring of grant-funded professional consultants.
4. Ensure that the Clery Center implements policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.
5. Remedy \$1,807 in unallowable indirect cost expenditures.
6. Ensure that the Clery Center implements policies and procedures to provide accurate comparison of grant expenditures with budgeted amounts according to the cost categories approved by OVW.
7. Ensure that the Clery Center implements policies and procedures to submit accurate FFR reports.

## **APPENDIX 1**

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of this audit were 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 the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, expenditures, financial management, budget management and control, federal financial reports, and drawdowns.

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

This was an audit of OVW grants 2009-TA-AX-K066, 2015-TA-AX-K059, and 2016-TA-AX-K075 awarded to the Clery Center for Security on Campus (Clery Center) under the Technical Assistance Program. As of March 7, 2017, the Clery Center had drawn down \$549,199 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 25, 2009, the award date for Grant Number 2009-TA-AX-K066, through August 2, 2017, the last day of our fieldwork. OVW closed Grant Number 2009-TA-AX-K066 before the start of our audit.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the Clery Center's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including personnel and non-personnel charges, progress reports, financial reports, and drawdowns. 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 OVW and OJP Financial Guides, 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 the Clery Center'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 involving information from those systems was verified with documentation from other sources.

## APPENDIX 2

### SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
<b>Questioned Costs<sup>6</sup>:</b>		
Unallowable Professional Consulting Expenditures	\$6,133	4
Unallowable Professional Consulting Expenditures	5,419	4
Unallowable Indirect Costs	<u>1,807</u>	6
Unallowable Costs	\$13,359	
<b>Net Questioned Costs</b>	<b>\$13,359</b>	
<b>TOTAL DOLLAR-RELATED FINDINGS</b>	<b><u>\$13,359</u></b>	

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<sup>6</sup> **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.

THE CLERY CENTER FOR SECURITY ON CAMPUS' RESPONSE  
TO THE DRAFT AUDIT REPORT



at the heart of campus safety

85 Old Eagle School Road | Suite 103  
Strafford, PA 19087

Mr. Thomas O. Puerzer  
Regional Audit Manager  
Office of the Inspector General  
Philadelphia Regional Audit Office  
701 Market Street, Suite 2300  
Philadelphia, PA 19106

Dear Mr. Puerzer:

The following is in response to the DOJ OIG audit of OVW technical assistance awards 2009-TA-AX-K066, 2015-TA-AX-K059, 2016-AX-K075. Thank you for providing Clery Center with an opportunity to respond to the audit report. Based on the audit recommendations we have the following responses:

1.) *Remedy \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.*

**Response: Agree.** Clery Center will submit a grant adjustment (GAN) request to OVW for consideration of retroactive approval, related to award 2009-TA-AX-K066. The consultant on the award was a highly qualified researcher and curriculum designer who had worked on the project for four years with no increase to the consulting rate. The request for retroactive approval will include her qualifications at the time and a detailed outline of work.

2.) *Remedy \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.*

**Response: Agree.** Clery Center will submit a grant adjustment (GAN) request to OVW for consideration of retroactive approval. This is related to award 2009-TA-AX-K066 and fees for bookkeeping services. From 2009-2011, Clery Center did not have a full-time bookkeeper and relied on an external firm for these duties. The budget allocated a salary for a bookkeeper and should have allocated some of that money for a contractor to work with the organization on this function.

3.) *Ensure that the Clery Center implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.*

**Response: Agree.** This requirement was not included in the special conditions for award 2016-TA-AX-K075. Other TA providers select their own consultants (via OVW guidelines) beyond the control of Clery Center. However,





Clery Center will develop a process to collect and monitor the hiring of grant-funded consultants in cooperation with OVW.

4.) *Ensure that the Clery Center implements policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.*

**Response: Disagree.** We shared with the auditors our computations for rent allocations and included them in the budget narrative approved by OVW. The narrative documents the amount charged monthly for rent, an amount that does not change from month to month. This clearly demonstrates the calculations for rent, so we are unclear what further information is needed.

5.) *Remedy \$1,807 in unallowable indirect cost expenditures.*

**Response: Agree.** The approved indirect cost rate for award 2009-TA-AX-K066 expired. For awards 2015-TA-AX-K059 and 2016-TA-AX-K075 we opted to charge direct costs to the grant instead of renewing the indirect cost rate. We will apply to OVW for retroactive approval of direct costs to replace the indirect costs.

6.) *Ensure that the Clery Center implements policies and procedures to provide accurate comparisons of grant expenditures and budgeted amounts according to the cost categories approved by OVW.*

**Response: Disagree.** During our first phone call, the auditors requested accounting records on the grant awards. We asked for a date range and the request was for files “to date.” We perform accounting reconciliations on a monthly basis and the requested records had not yet been reconciled. We provided the records and categorized them per the auditor’s request in a format different than what we regularly employ. We have a process wherein the general ledger categories (via QuickBooks) are totaled and entered into a spreadsheet that monitors the OVW budget categories. A month-by-month report, as opposed to an entire period as requested by the auditor, demonstrates how the general ledger aligns with the OVW categories.

7.) *Ensure that the Clery Center implements policies and procedures to submit accurate FFR reports.*

**Response: Agree.** We agree with this recommendation but not with the detail in the finding. Clery Center’s CFO completes the FFR’s and submits numbers based on to-date accounting, not quarterly as noted in the report. The audit report states that there were “numerous computation errors,” but the errors involved



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Strafford, PA 19087

chronology and not computation. The CFO completes and submits FFR's in a timely fashion and has never submitted a report late. She updates the reports to fit the appropriate timeframes and submitted to OVW for approval on October 18, 2017. However, since the computations themselves were accurate, we respectfully request a change to the manner in which the errors are presented in this audit report.

In conclusion, we appreciate the opportunity to submit this response to the audit report. Stewardship of federal funds is a priority of Clery Center and our Board of Directors. Should you need further clarification on any of the above responses, please do not hesitate to contact Alison Kiss, Executive Director, at (484) 580-8754.

Sincerely,

Alison Kiss  
Executive Director

Deborah Shelley  
Chief Financial Officer

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



U.S. Department of Justice

Office on Violence Against Women

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Washington, DC 20530

October 31, 2017

MEMORANDUM

TO: Thomas Puerzer  
Regional Audit Manager  
Philadelphia Regional Audit Office

THROUGH: Nadine M. Neufville *Nadine Neufville*  
Acting Director  
Donna Simmons *DS*  
Associate Director, Grants Financial Management Division

FROM: Rodney Samuels *RS*  
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women (OVW) Technical Assistance Grants Awarded to the Clery Center for Security on Campus, Strafford, Pennsylvania

This memorandum is in response to your correspondence dated October 3, 2017 transmitting the above draft audit report for the Clery Center for Security on Campus. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains seven recommendations and \$13,359 in unallowable costs. The Office on Violence Against Women (OVW) is committed to working with the grantee to address and bring each recommendation to a close as quickly as possible. The following is our analysis of the audit recommendations.

**1. Remedy \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they remedy the \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.

**2. Remedy \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.**

MEMEORANDUM

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the Clery Center for Security on Campus.

OVW does agree with the recommendation. We will work with the grantee to ensure that they remedy the \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.

**3. Ensure that the Clery Center implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they implement policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.

**4. Ensure that the Clery Center implements policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they implement policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant

**5. Remedy \$1,807 in unallowable indirect cost expenditures.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they remedy \$1,807 in unallowable indirect cost expenditures.

**6. Ensure that the Clery Center implements policies and procedures to provide accurate comparison of grant expenditures with budget amounts according to the cost categories approved by OVW.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they implement policies and procedures to provide accurate comparison of grant expenditures with budget amounts according to the cost categories approved by OVW.

**7. Ensure that the Clery Center implements policies and procedures to submit accurate FFR reports.**

OVW does agree with the recommendation. We will work with the grantee to ensure that they implement policies and procedures to submit accurate FFR reports.

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

MEMEORANDUM

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the Clery Center for Security on Campus.

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

Latinisha Lewis  
Program Manager  
Office on Violence Against Women (OVW)

## APPENDIX 5

### 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 Clery Center for Security on Campus (Clery Center). OVW's response is incorporated in Appendix 4 and the Clery Center's response is incorporated in Appendix 3 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 response and summary of actions necessary to close the report.

#### Recommendations for OVW:

**1. Remedy \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it remedies the \$6,133 in unallowable expenditures paid to professional consultants at compensation rates exceeding the maximum permitted by OVW.

Clery Center concurred with our recommendation and stated in its response that it will submit a grant adjustment (GAN) request to OVW for consideration of retroactive approval, related to award 2009-TA-AX-K066.

This recommendation can be closed when we receive documentation demonstrating OVW has remedied \$6,133 in unallowable expenditures.

**2. Remedy \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it remedies the \$5,419 in unallowable expenditures spent on accounting services not approved in the budget.

Clery Center concurred with our recommendation and stated in its response that it will submit a grant adjustment (GAN) request to OVW for consideration of retroactive approval, related to award 2009-TA-AX-K066.

This recommendation can be closed when we receive documentation demonstrating OVW has remedied \$5,419 in unallowable expenditures.



**3. Ensure that Clery Center implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it implements policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.

Clery Center concurred with our recommendation and stated in its response that it will develop a process to collect and monitor the hiring of grant-funded consultants in cooperation with OVW.

This recommendation can be closed when we receive documentation demonstrating that Clery Center has implemented policies and procedures to monitor whether its subrecipients are following OVW guidance regarding hiring of grant-funded professional consultants.

**4. Ensure that the Clery Center implements policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it implements policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.

Clery Center did not concur with our recommendation and stated in its response that it shared with us the computations for rent allocations and included them in the budget narrative approved by OVW.

The response provided by the Clery Center does not adequately address this recommendation because it does not demonstrate how the specific amounts it charged the grant were quantified. This included rent charges for combined months for which Clery Center did not demonstrate which and how many months these combined charges represent. Clery Center did not provide adequate documentation to demonstrate how it computed the amounts allocated and charged to the grants. In addition, the budget narrative the Clery Center identified in its response relates to a different location than the one it was using when the rent was actually charged to these grants.

This recommendation can be closed when we receive documentation demonstrating that Clery Center has implemented policies and procedures to retain documentation that demonstrates how it calculates actual rent expenditures allocated to the grant.

**5. Remedy \$1,807 in unallowable indirect cost expenditures.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it remedies \$1,807 in unallowable indirect cost expenditures.

Clery Center concurred with our recommendation and stated in its response that it will apply to OVW for retroactive approval of direct costs to replace the indirect costs.

This recommendation can be closed when we receive documentation demonstrating that OVW has remedied \$1,807 in unallowable indirect cost expenditures.

**6. Ensure that Clery Center implements policies and procedures to provide accurate comparison of grant expenditures with budget amounts according to cost categories approved by OVW.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it implements policies and procedures to provide accurate comparison of grant expenditures with budget amounts according to the cost categories approved by OVW.

Clery Center did not concur with our recommendation and stated in its response that it provided us the accounting records and per our request, categorized them in a format different than what Clery Center regularly employs. In addition, Clery Center stated in its response that it has a process wherein the general ledger categories from the accounting system are totaled and entered in to a spreadsheet that Clery Center uses to monitor the OVW budget categories. Clery Center stated that this spreadsheet, which is a month-by-month report as opposed to an entire period as we requested, demonstrates how the general ledger aligns with the OVW categories.

The response provided by the Clery Center does not adequately address this recommendation because it does not describe a process for routinely monitoring budget compliance. At our request during the audit, Clery Center officials manually associated the cost categories approved by OVW with individual grant expenditures in their accounting records. As stated in its response to the recommendation, Clery Center does not regularly use this process. The monthly spreadsheet that Clery Center referenced in its response to the recommendation is not part of its accounting system nor is it reconciled periodically to the accounting system to ensure accuracy.

This recommendation can be closed when we receive documentation demonstrating that Clery Center has implemented policies and procedures to provide accurate comparison of grant expenditures with budget amounts according to the cost categories approved by OVW.



**7. Ensure that the Clery Center implements policies and procedures to submit accurate FFR reports.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the grantee to ensure that it implements policies and procedures to submit accurate FFR reports.

Clery Center concurred with our recommendation and stated in its response that it submits FFR's based on "to-date" accounting and not based on quarterly periods.

One discussion point in Clery Center's response was that it disagreed with the part of the finding that states that the Clery Center made numerous computation errors. Clery Center stated in its response that its errors were based on chronology and not computation. However, as we stated in the report, the cumulative expenditures the Clery Center reported were also inaccurate and therefore, the errors were not only chronological. In our testing, we identified reports that were overstated when compared to the accounting records, which reporting expenditures to date can cause if the computation is not cut off at the end of a quarterly period. However, we also identified reports that were understated.

This recommendation can be closed when we receive documentation demonstrating that Clery Center has implemented policies and procedures to submit accurate FFR reports.



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