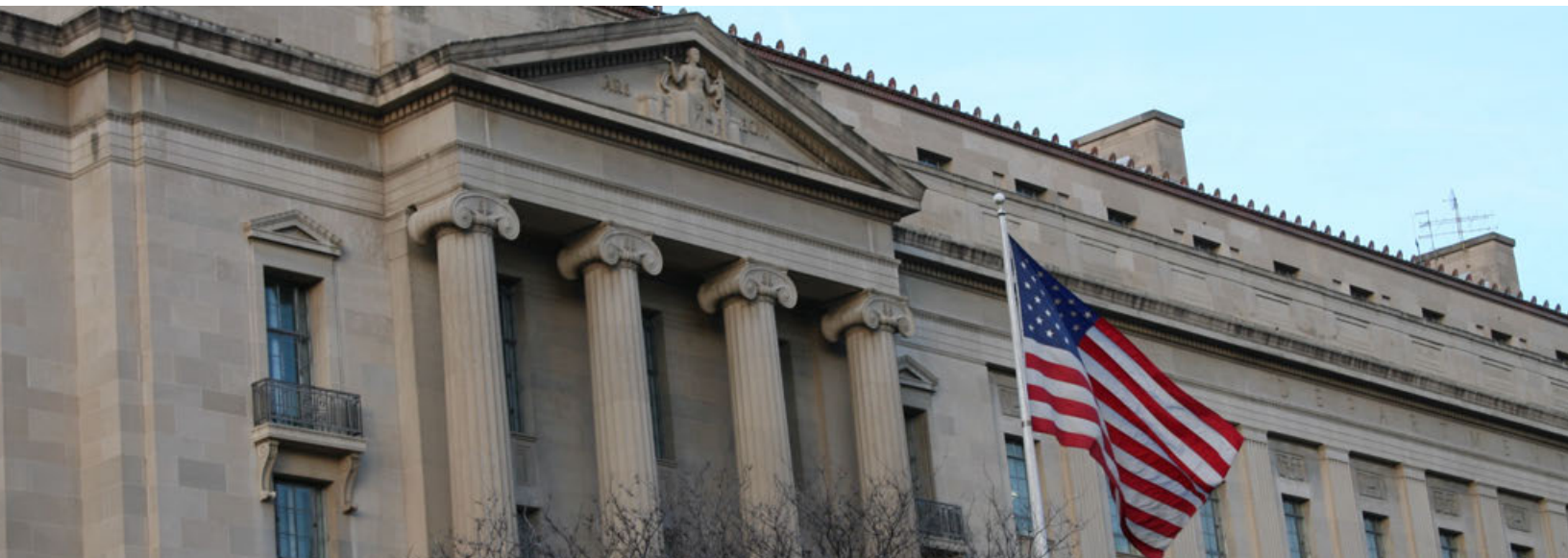




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office on Violence
Against Women Grant Awarded to
the Omaha Nation Community
Response Team,
Walthill, Nebraska**



Executive Summary

Audit of the Office on Violence Against Women Grant Awarded to the Omaha Nation Community Response Team, Walthill, Nebraska

Objectives

The Office on Violence Against Women (OVW) awarded the Omaha Nation Community Response Team (ONCRT) one grant totaling \$550,000 under the Rural Sexual Assault, Domestic Violence, Dating Violence and Stalking Program. The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether ONCRT demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that ONCRT did not adhere to all the grant requirements we tested. Specifically, due to significant turnover, we found it unlikely that ONCRT is on track to materially accomplish the grant goals and objectives. Furthermore, ONCRT did not maintain auditable source documentation to verify the information it reported to OVW in progress reports and to demonstrate its compliance with certain grant requirements.

We also identified unallowable and unsupported costs charged to the grant totaling \$39,371. Unallowable costs included expenses that were not in the approved budget, costs for individuals who did not work on the grant, and fringe benefits charged to the grant twice. In addition, we found ONCRT inconsistently calculated worker's compensation expenses, and inconsistently allocated utilities expenses charged to the grant.

Recommendations

Our report contains 11 recommendations to OVW. We requested from ONCRT and OVW their responses to a draft of this audit report, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the OVW grant is for ONCRT to partner with the Omaha Tribe of Nebraska, specifically two of the Tribe's programs and one of its shelters, to provide a holistic and coordinated response to domestic violence, sexual assault, dating violence, and stalking victims from age 12 to adult, who reside on the Omaha Indian Reservation. Between March 15, 2016, and August 6, 2018, ONCRT drew down \$434,173 for the \$550,000 grant we reviewed.

Program Goals and Accomplishments – Our audit concluded that due to significant turnover, it is unlikely ONCRT is on track to materially accomplish the goals and objectives of the award. In reaching this conclusion, we reviewed the required performance reports and found that documentation was generally not available to support the information in the performance reports.

Required Performance Reporting - ONCRT did not maintain auditable source documentation for the information shown in progress report 5, covering July 1 through December 12, 2017 and progress report 6, covering January 1 through June 30, 2018. As a result, the OIG was unable to determine the accuracy of the selected reported performance information.

Special Conditions – We identified 2 instances where ONCRT was not in compliance with the special conditions, and 4 instances where we were unable to properly assess ONCRT's compliance with the special condition, as ONCRT could not provide auditable source documentation.

Grant Expenditures – We identified \$5,786 in unallowable direct costs charged to the grant but not included in the approved budget. We also found \$26,896 in unsupported direct and indirect costs. Further, we found ONCRT inconsistently calculated workers compensation expenses, and inconsistently allocated utilities expenses charged to the grant. We identified \$2,583 in unsupported payroll costs, \$5,908 in unallowable payroll cost for individuals who did not work on the OVW grant, and \$106 in unallowable fringe benefits that were incorrectly charged to the grant twice.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
GRANT AWARDED TO
THE OMAHA NATION COMMUNITY RESPONSE TEAM,
WALTHILL, NEBRASKA**

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**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
GRANT AWARDED TO
THE OMAHA NATION COMMUNITY RESPONSE TEAM
WALTHILL, NEBRASKA**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a grant awarded by the Office on Violence Against Women under the Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program, to the Omaha Nation Community Response Team (ONCRT) in Walthill, Nebraska. ONCRT was awarded one grant totaling \$550,000, as shown in Table 1.

**Table 1
Grant Awarded to ONCRT**

| Award Number | Program Office | Award Date | Project Period Start Date | Project Period End Date | Award Amount |
|---------------------|-----------------------|-------------------|----------------------------------|--------------------------------|---------------------|
| 2015-WR-AX-0022 | OVW | 09/11/2015 | 10/01/2015 | 09/30/2019 | 550,000 |

Source: OJP's Grant Management System

Funding through the Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program supports programs that: (1) identify, assess, and appropriately respond to child, youth and adult victims of domestic violence, stalking violence, sexual assault and stalking in rural communities, by encouraging collaboration among domestic violence, dating violence, sexual assault, and stalking victim service providers; law enforcement agencies; prosecutors; courts; other criminal justice service providers; human and community service providers; educational institutions; and health care providers; (2) establish and expand nonprofit, nongovernmental, state, tribal, territorial, and local government victim services in rural communities to child, youth, and adult victims; and (3) increase the safety and well-being of women and children in rural communities by dealing directly and immediately with domestic violence, dating violence, sexual assault, and stalking occurring in rural communities; and creating and implementing strategies to increase awareness and prevent domestic violence, dating violence, sexual assault, and stalking.

The Grantee

ONCRT is a private, non-profit organization that serves the residents of the Omaha Reservation in Northeastern Nebraska. It is a community-based organization that strives to provide quality prevention, intervention, and community mobilization services and activities, emphasizing the inclusion of Omaha culture as the primary protective factor in bringing about positive changes in the community. ONCRT works at the grass roots level, creating partnerships with tribal programs,

the State of Nebraska, local organizations, and community stakeholder concerning a variety of youth issues.

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 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, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grants. The 2015 DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

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.

AUDIT RESULTS

Program Performance and Accomplishments

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

Program Goals and Objectives

The goal of the 2015-WR-AX-0022 award is for ONCRT to partner with the Omaha Tribe of Nebraska, specifically two of the Tribe's programs and one of its shelters, to provide a holistic coordinated response to domestic violence, sexual assault, dating violence and stalking victims, ages twelve to adult, residing on the Omaha Indian Reservation. Through this rural project, ONCRT planned to meet the following three objectives:

1. Expand the number of advocates in the community that are available to provide direct services for victims;

2. Refine the strategic planning process for addressing violence against women in this community; and

3. Provide crisis intervention, short-term advocacy, group support, and information and referral for victims.

In accordance with the goal of the award, ONCRT entered into a Memorandum of Understanding (MOU) with the Omaha Tribe of Nebraska's two programs and one of its shelters. The partners agreed to collaborate and provide advocacy and supportive services to Domestic Violence, Sexual Assault Dating Violence and Stalking victims. However according to ONCRT officials, one of these programs is no longer in existence. In addition, our attempts to obtain feedback from the Omaha Tribe of Nebraska regarding the services ONCRT's provided under the program went unanswered. Specific to objective one, we determined that a full-time and a part-time advocate were hired, however there has also been a

significant amount of staff turnover at ONCRT, including the advocates.¹ In our judgement, the high staff turnover negatively impacts ONCRT's ability to provide direct services.

During the scope of our audit, ONCRT received OVW approval for 10 Grant Adjustment Notices (GAN) approving, among other things, the use of grant funds for community outreach materials, such as brochures, flyers, and T-shirts.² These materials, as well as the community outreach events they were to be distributed at, are aligned with objective number three and are a minor indication of progress in achieving objective number three. However, the first of the 10 GANs was to issue a letter to the program partners announcing the program. The award was made in September 2015, the letter was dated July 11, 2016, and the GAN was approved July 22, 2016, 9 months after the start of the award. Also, there was over a year span between the submission of the 2017 and the 2018 GAN's related to community outreach, which are indications ONCRT is not on track to accomplish the program goals and objectives.

While ONCRT was unable to provide supporting documentation for selected performance measures, as discussed in the Required Performance Reports section of this report, the goals and objectives narrative section of progress report numbers five and six, corroborate the staffing and partnering challenges impacting ONCRT's ability to meet the goals and objectives of the award. Finally, specific to objective two, the narrative section of progress report number five includes the challenges ONCRT faced working with community partners, who's funding has ended.

Based on our review, there are minor indications of progress in achieving goals and objectives. However, in our judgment, due to significant staff turnover and the MOU partnering challenges, it is unlikely that ONCRT is on track to materially accomplish the goals and objectives of the program by September 2019, the end of the award. We recommend OVW ensure ONCRT fully demonstrates all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.

Required Performance Reports

According to the 2015 DOJ Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation.³ In order to verify the information in the progress reports, we selected a judgmental

¹ Five part-time advocates were hired between March 2016 and October 2018 to fill one part-time advocate position and since March 2016 three full-time advocates were hired to fill one full-time advocate position. In addition to the turnover that occurred prior to the audit, the Project Coordinator, who was the point of contact for the audit left ONCRT effective December 20, 2018.

² Grant recipients must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

³ This is also addressed under award special condition number 28, which states that under the Government Performance and Results Act, grantees are required to collect and maintain data that measure the effectiveness of their grant funded activities.

sample of 10 performance measures from progress report number 5, and 6 performance measures from progress report number 6, for a total sample size of 16 performance measures. These progress reports were the two most recent reports submitted at the time of our audit. We requested supporting documentation to determine if the 16 selected performance measures were accurate.

- Progress Report number 5 covers July 1 through December 31, 2017.
- Progress Report number 6 covers January 1 through June 30, 2018.

ONCRT was unable to provide any supporting documentation for the 16 selected performance measures. ONCRT officials indicated progress report number 5 was completed by a former ONCRT employee and progress report number 6 was completed using support compiled by the same former employee. In each case, support could not be located. Since no auditable source documentation was provided, the OIG is unable to determine if the selected reported performance measures are accurate. As a result, we recommend OVW ensures that ONCRT maintain auditable source documentation for information reported in progress reports.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the award. We evaluated the 46 special conditions for the grant and selected a judgmental sample of 7 of the requirements that are significant to performance under the grant and not addressed in another section of this report.

We identified one instance where ONCRT was in compliance with a special condition, two instances where ONCRT was not in compliance with the special conditions, and four instances where we were unable to properly assess ONCRT's compliance with the special condition as ONCRT could not provide auditable source documentation to support the information reported in the last two progress reports.

Specifically, a special condition restricted ONCRT's ability to obligate, expend, and drawdown funds until the budgets final approval. The GAN that approved the final budget and removed this special condition was dated March 4, 2016. ONCRT's first drawdown was on March 15, 2016. As a result, we did not identify any instance where ONCRT was not in compliance with this special condition.

Another special condition required ONCRT to submit for OVW review and approval the removal of or change in collaborating partner agencies or individuals who are signatories of an MOU. As mentioned in the Program Goals and Objectives section of this draft report, the goal of the project is for ONCRT to partner with the Omaha Tribe of Nebraska specifically, two of the Tribe's programs and one of its shelters. According to ONCRT officials, one of these programs is no longer in existence and our review of the GANs submitted by ONCRT during the scope of our audit demonstrated that ONCRT did not submit to OVW for review, a change in individuals who are signatories of the MOU.

Another special condition states that the grantee agrees to submit semiannual progress reports within 30 days after the end of the reporting periods. Our review of the two recently submitted progress reports shows progress report number 5 was submitted 13 days late. However, given that progress report number 6 was submitted within the 30 days, we make no recommendation regarding submitting progress reports on time.

Finally, we looked at four special conditions that relate to: (1) providing legal services to victims, (2) services to child victims, (3) services in rural areas and communities only, and (4) limiting the preventive activities that can be conducted. While we found the last two progress reports submitted by ONCRT indicated compliance with these special conditions, we are unable to properly assess these special conditions as ONCRT could not provide auditable source documentation to support the information reported in the last two progress reports.

Based on our findings, we make two recommendations for OVW to ensure: (1) ONCRT submits all MOU partner changes to OVW for review, and (2) ONCRT demonstrates that it has complied with four of the programmatic-based special conditions by providing auditable source documentation.

Grant Financial Management

According to the 2015 DOJ Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess ONCRT's financial management of the grants covered by this audit, we conducted interviews with staff, examined policies and procedures, and inspected grant documents to determine whether ONCRT adequately safeguards the grant funds we audited. We also reviewed ONCRT's Single Audit Reports for fiscal years (FY) 2009, 2010, and 2011, to identify internal control weaknesses and significant non-compliance issues related to federal awards.⁴ Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report.

We identified weaknesses in ONCRT's financial management. Specifically, we found that ONCRT charged unallowable and unsupported direct and indirect costs to the grant. These deficiencies are discussed in more detail in the Grant Expenditures section of this report. In addition, we found ONCRT has written procurement procedures that address conflicts of interest and segregation of duties. However, two of the positions instrumental to the procurement and payroll process—the Executive Director and the Financial Director—are currently vacant. As a result, we recommend that OVW ensures ONCRT update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.

⁴ ONCRT was not required to have a single audit for the fiscal years covered in our audit scope as it did not expend more than the \$750,000 threshold, established by 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year.⁵

A search of the Federal Audit Clearing House determined ONCRT had submitted three single audit reports for FYs 2009, 2010, and 2011, none of which are in the scope of the audit. The FY 2010 and 2011 single audits had the same finding specific to U.S. Department of Health and Human Services awards received by ONCRT. Specifically, on several occasions checks were voided after the related expenses were included in drawdown requests. According to ONCRT officials, the source of information currently used to calculate and prepare the drawdown requests are financial reports from their accounting firm. This same accounting firm issued ONCRT's FY 2016 and 2017 financial statements, in which the accounting firm concluded it was not aware of any material modifications that should be made to the corresponding financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

Grant Expenditures

For Grant Number 2015-WR-AX-0022, ONCRT's approved budget included personnel, fringe benefits, travel, supplies, consultants, other costs, and indirect costs. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of 75 transactions, totaling \$80,655. Based on this testing, we recommend that OVW remedy \$32,683 in questioned costs. In addition, to verify employee hours worked, pay rates, and fringe benefit calculations, we selected 2 pay periods from each of the 3 years of the award. Based on this testing, we recommend that OVW remedy \$8,597 in questioned costs. The following sections describe the results of our direct and indirect cost transaction testing, as well as hours worked and fringe benefit calculation testing.

Direct and Indirect Costs

OVW approved direct and indirect costs for the 2015-WR-AX-0022 award. The direct cost categories included personnel, fringe benefits, travel, supplies, contractual, and other. As previously discussed, our analysis of personnel and fringe benefits included selecting and testing 6 pay periods. Since ONCRT charged workers compensation and health insurance costs to the grant outside of payroll,

⁵ On December 26, 2014, the Uniform Guidance superseded OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Under OMB Circular A-133, which affected all audits of fiscal years beginning before December 26, 2014, the audit threshold was \$500,000.

we included those expenses in our transaction testing. Specifically, the 75 transactions selected for testing included 16 fringe expenses totaling \$12,292; 2 contract services expenses totaling \$4,065; 20 other expenses totaling \$28,727; 17 supply expenses totaling \$10,993; 14 travel expenses totaling \$6,378; and 6 indirect cost expenses totaling \$18,200. The results of our transaction testing are shown below in Table 2.

Table 2
Transaction Testing Results

| Number of Transactions | Results |
|------------------------|---------------------------------------|
| 34 | Supported and Allowable |
| 20 | Unsupported |
| 13 | Unallowable |
| 3 | Unallowable and Unsupported |
| 5 | Inconsistently allocated to the Grant |
| 75 | Total Number of Transactions |

Source: OIG review of ONCRT provided documents

Of the 20 unsupported transactions, no support was provided for 14 of the transactions and inadequate support was provided for the remaining 6 transactions. Inadequate support includes, but is not limited to, paying off of statements or check requests. The 13 unallowable transactions were for items not in the approved budget. The three unallowable and unsupported transactions were for the purchase of gift cards and a travel advance for an ONCRT employee to attend a conference. Gift cards are not in the approved budget and the ONCRT employee did not attend the conference.⁶

In regards to the 13 transactions not in the approved budget, when we discussed these unallowable transaction with ONCRT officials, they provided us with years two and three's budget justification documentation, which included these expenses. OVW program staff, received the year two and year three budget justification documents from ONCRT in November of 2017. However, this budget documentation was never approved by OVW. Specifically, according to OVW's Grant Financial Management Division (GFMD) the year two and year three justification documents were not part of the approved budget and were not approved by OVW's GFMD. In addition to the lack of budget approval, the year 2 and year 3 budget justification numbers, combined with the year 1 budget justification numbers, exceeded the total amount of the award by \$91,742. As a result, the OIG does not consider the year 2 and year 3 budget justification documents provided to OVW in November of 2017 to be part of the approved final budget.

The unsupported and unallowable transactions resulted in \$32,683 in questioned costs—\$5,786 in unallowable questioned costs and \$26,896 in

⁶ Net questioned costs exclude the duplicate amount. The details on net questioned costs can be found in Appendix 2, the Schedule of Dollar Related Findings.

unsupported questioned costs. As a result, we make two recommendations. We recommend that OVW: (1) remedy the \$26,896 in unsupported transactions charged to the grant, and (2) remedy the \$5,786 in unallowable transactions charged to the grant.

Finally, while we found five expenses to be allowable and supported, when compared to similar expenses we found that they were inconsistently allocated to the grant. Specifically, 100 percent of the expense for two workers compensation transactions was charged to the grant while only half of other workers compensation transactions were charged to the grant. According to the approved budget, workers compensation expenses charged to the grant should be calculated at 3.1 percent of the salary of the three approved positions in the budget. Given the inconsistency with the allocation method used by ONCRT to charge workers compensation to the grant, and the fact that the allocation method used differed from the approved budget, we recommend OVW coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.

We also found three other expenses to be allowable and supported, but allocated differently to the grant than similar expenses—three electricity bills were charged 100 percent to the grant, while only half of other electricity bills in our sample were charged to the grant. Given the inconsistency with the allocation method used by ONCRT to charge utilities bills to the grant, we recommend OVW coordinate with ONCRT to ensure all future utilities expenses are uniformly and accurately charged to the grant.

Hours Worked and Fringe Benefit Calculations

As per the 2015 DOJ Grants Financial Guide, charges made to federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. The 2015 DOJ Grants Financial Guide also gives examples of the items that may support salaries and wages, such as time sheets, time and effort reports, or activity reports that have been certified by the employee and approved by a supervisor with firsthand knowledge of the work performed. In addition, payroll records should also reflect either after the fact distribution of actual activities or certifications of employee's actual work performed.

OVW approved personnel and fringe benefits for the 2015-WR-AX-0022 award. The personnel expenditures included salary for two full-time positions and one part-time position. The fringe benefits approved included Federal Insurance Contributions Act (FICA), Workers Compensation, State Unemployment Insurance (SUI), Retirement, and Health Insurance. Workers compensation and health insurance were not charged to the grant through payroll, rather the invoices were charged directly to the grant. As a result workers compensation and health insurance expenditures were tested as part of the 75 transactions discussed under the direct and indirect costs section of this report.

We reviewed 2 pay periods from each of the 3 years of the award, for a total of 6 pay periods to determine if the hours worked and fringe benefit calculations were computed correctly, properly authorized, accurately recorded, and properly allocated to the award. Based on our review of the pay periods selected, we identified concerns with hours worked and fringe benefit calculations for 4 of the 6 pay periods reviewed.

For the April 26, 2016 pay period, time sheets were provided for only two of the three employees whose time was charged to the grant, resulting in \$1,988 in unsupported payroll questioned costs. Further, for one of the two employees whose time sheets were provided, the time sheet shows 29 hours worked while 29.97 hours was charged to the grant. This resulted in \$15 in unsupported payroll questioned costs. Total unsupported payroll questioned costs for this pay period are \$2,004.

For the August 16, 2016, pay period, we found fringe benefits were charged to the award twice. When fringe benefits charged to the award for this pay period were calculated, the calculation included the on-call pay and the approved FICA and SUI percentages. However, since the on-call pay was paid to employees in a separate check, which also calculated FICA and SUI using the approved percentages, FICA and SUI was charged to the grant twice. The amount overcharged was \$106 and is an unallowable fringe benefit costs.

For the February 2, 2017, pay period, time sheets were provided for the three ONCRT employees whose time was charged to the grant, but discrepancies were found between the total hours worked on the timesheets and the hours charged to the grant for all three positions. Specifically, for the Coordinator position, the timesheets show a total of 79.06 hours worked and 80 hours was charged to the grant, leading to \$19 in unsupported payroll costs. For the Advocate position, our analysis shows a total of 79.25 hours worked and 88 hours were charged to the grant, leading to \$44 in unsupported payroll costs. For the Part-Time Advocate position, our analysis shows a total of 22.25 regular hours worked, while 29 regular hours were charged to the grant. In addition, 23 hours of Administration time was charged to the grant for the part time advocate position, for this pay period and no support was provided. This resulted in \$498 in unsupported payroll costs. The total unsupported payroll costs for this pay period is \$561.

For the January 18, 2018, pay period discrepancies were also found between the total hours worked on the timesheets and the hours charged to the grant for one of the three employee's whose time was charged to the grant. Specifically, for the Part-Time Advocate position, the timesheets showed 29.55 hours worked and 30.60 were charged to the grant resulting in \$18 in unsupported payroll costs.

In addition to the 6 pay periods we reviewed, we examined ONCRT's general ledger, specifically, the payroll and fringe transactions. We found payroll and fringe expenses for ONCRT employees who were not on the list of employees who worked on the award. When asked about this, ONCRT provided clarification on the payroll journal entry process, which showed some of these transactions were for

individuals who did work on the OVW grant, but it did not clarify all the transactions. As a result, we question \$5,908 in unallowable payroll costs charged to the grant for individuals who did not work on the OVW grant.

The unsupported and unallowable payroll and fringe benefits expenses charged to the grant resulted in \$2,583 in unsupported payroll costs, and \$6,014 in unallowable payroll and fringe benefit costs. As a result, we make two recommendations. We recommend that OVW: (1) remedy the \$2,583 in unsupported payroll costs charged to the grant; and (2) remedy the \$6,014 in unallowable payroll and fringe benefit costs charged to the grant.

Indirect Cost Rate

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. In addition to selecting six indirect costs expenses for testing, we also calculated the allowed indirect costs and compared that number to the amount charged to the grant for the sample period and found ONCRT did not exceed the indirect costs approved in the grant budget.

Budget Management and Control

According to the 2015 DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether ONCRT transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals did not exceed 10 percent.

Drawdowns

According to the 2015 DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. As of August 6, 2018, ONCRT had drawn down \$434,173 for grant 2015-WR-AX-0022. ONCRT uses financial reports provided by its outside accounting firm to complete its drawdowns. To assess whether ONCRT managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records and found the expenditures in the accounting records exceeded the amount reimbursed.

While ONCRT's expenditures exceeded the drawdowns as of August 6, 2018, ONCRT does not have written drawdown procedures. The lack of written drawdown procedures is a concern due to ONCRT's high staff turnover and is part of a larger policy and procedure issue, which is addressed in a management improvement recommendation made under the Grant Financial Management section in this report. In addition, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules. We address those deficiencies in the Grant Expenditures section in this report.

Federal Financial Reports

According to the 2015 DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether ONCRT submitted accurate Federal Financial Reports (FFRs), we compared the four most recent reports to ONCRT's accounting records for the grant.

We found that for three of the FFRs submitted for the last 4 quarters, ONCRT expenditures were less than what was reported. For one FFRs, ONCRT's expenditures exceeded what was reported. However, since ONCRT's cumulative expenditures exceeded what was reported in the FFRs, we take no exception with the FFRs submitted for the last 4 quarters of the award. The FFR's did not identify any program income for the 2015-WR-AX-0022 grant.

- From February 2016 to December 2018 there have been five Coordinators.
- From March 2016 to October 2018 there have been five part-time Advocates.
- Since March 2016 there have been three full-time Advocates.

CONCLUSION AND RECOMMENDATIONS

We did not identify significant issues regarding ONCRT's federal financial reports or its management of the grant budget. However, as a result of our audit testing, we conclude that ONCRT did not adhere to all of the grant requirements we tested. Specifically, we found it is unlikely ONCRT is on track to materially accomplish goals and objectives, did not maintain auditable source documentation for what was reported in progress reports, and charged unallowable and unsupported costs to the grant. We provide 11 recommendations to OVW to work with ONCRT to address these deficiencies.

We recommend that OVW:

1. Ensures ONCRT fully demonstrates all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.
2. Ensures that ONCRT maintains auditable source documentation for information reported in progress reports.
3. Ensures that ONCRT submits all MOU partner changes for review.
4. Ensures that ONCRT demonstrate that it has complied with four of the programmatic-based special conditions by providing auditable source documentation.
5. Ensures that ONCRT update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.
6. Remedy the \$26,896 in unsupported transactions charged to the grant.
7. Remedy the \$5,786 in unallowable transactions charged to the grant.
8. Coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.
9. Coordinate with ONCRT to ensure all future utilities expenses are uniformly, and accurately charged to the grant.
10. Remedy the \$2,583 in unsupported payroll costs charged to the grant.
11. Remedy the \$6,014 in unallowable payroll and fringe benefit costs charged to the grant

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

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, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

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

This was an audit of the Office on Violence Against Women grant awarded to the Omaha Nation Community Response Team (ONCRT) under the Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program. Grant Number 2015-WR-AX-0022, was awarded in the amount of \$550,000, and as of August 6, 2018, ONCRT had drawn down \$434,173 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 11, 2015, the award date for Grant Number 2015-WR-AX-0022, through February 2019, the last month of our audit work.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of ONCRT's activities related to the audited grant. 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 grant reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2015 DOJ Grants Financial guide and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as ONCRT'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 were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

| Description | Amount | Page |
|--|-----------------|-------------|
| Questioned Costs: ⁷ | | |
| Unallowable Costs | | |
| Unallowable Direct and Indirect Costs | \$5,786 | 9 |
| Unallowable Payroll and Fringe Benefit Costs | \$6,014 | 11 |
| <i>Total Unallowable Costs</i> | <i>\$11,800</i> | |
| Unsupported Costs | | |
| Unsupported Direct and Indirect Costs | \$26,896 | 9 |
| Unsupported Payroll Costs | \$2,583 | 11 |
| <i>Total Unsupported Costs</i> | <i>\$29,479</i> | |
| <i>Gross Questioned Costs</i> | <i>\$41,279</i> | |
| Less Duplicate questioned Costs ⁸ | <u>(1,908)</u> | |
| Net Questioned Costs | \$39,371 | |

⁷ Questioned Costs are expenditures that do not comply with legal, regulatory, or contractual requirements, or 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.

⁸ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes three transactions totaling \$1,908 in expenditures that were both unallowable and unsupported (\$408 for a travel advance for a trip not taken; and \$1,000 and \$500 for the purchase of gift cards).

**OMAHA NATION COMMUNITY RESPONSE TEAM
RESPONSE TO THE DRAFT AUDIT REPORT**



312 Main St. • P.O. Box 292 • Walthill, NE 68067

April 3, 2019

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

Dear Mr. Sheeren:

Omaha Nation Community Response Team has reviewed the draft audit report and we have been working to correct the audit recommendations.

Recommendations:

1. Ensures ONCRT fully demonstrate all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.

ONCRT Coordinator is currently working on this.

2. Ensures that ONCRT maintains auditable source documentation for information reported in progress reports.

ONCRT Coordinator is maintaining daily logs and maintaining records of events.

3. Ensures that ONCRT submits all MOU partner changes for review.

ONCRT is currently reviewing the MOU's on file and will submit all MOU changes by April 30, 2019 to OVW.

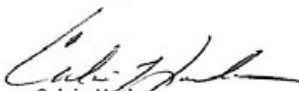
4. Ensures that ONCRT demonstrates that they have complied with four of the programmatic based special conditions by providing auditable source documentation.

ONCRT is currently compiling the documentation that shows compliance for the special conditions stated. Will submit to OVW by April 30, 2019.

5. Ensures that ONCRT update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.
ONCRT policy change is on the agenda for the next board meeting. Will send to OVW by April 30, 2019
6. Remedy the \$26, 896 in unsupported transactions charged to the grant.
ONCRT is currently locating the documentation for these transactions. Will forward this to OVW by April 30, 2019
7. Remedy the \$5786 in unallowable transactions charged to the grant.
ONCRT is working on locating the proper paperwork for these transactions. Will submit to OVW by April 30, 2019.
8. Coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.
ONCRT has submitted a budget modification to OVW. Waiting on approval from OVW.
9. Coordinate with ONCRT to ensure all future utility expenses are uniformly and accurately charged to the grant.
ONCRT has submitted a budget modification to OVW to accurately reflect the amount.
10. Remedy the \$2583 in unsupported payroll costs charged to the grant.
ONCRT has submitted a budget modification to OVW to remedy this.
11. Remedy the \$6014 in unallowable payroll and fringe benefit costs charged to the grant.
ONCRT has submitted a budget modification to OVW to remedy these.

ONCRT is working on remedying the audit findings and agrees that the high turnover of staff has caused some deficiencies. ONCRT feels that it will be able to materially accomplish the goals and objectives of this award.

Sincerely,



Calvin Harlan
Omaha Nation Community Response Team
Chairman

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



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

April 4, 2019

MEMORANDUM

TO: David M. Sheeren
Regional Audit Manager

FROM: Nadine M. Neufville *NMN*
Deputy Director, Grants Development and Management

Donna Simmons *DS*
Associate Director, Grants Financial Management Unit

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Omaha Nation Community Response Team (ONCRT), Walthill, Nebraska

This memorandum is in response to your correspondence dated March 13, 2019 transmitting the above draft audit report for ONCRT. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains eleven recommendations with \$39,371 of Questioned Costs. OVW is committed to addressing and bringing the open recommendations identified by your office to a close as quickly as possible. The following is our analysis of each recommendation.

1. Ensures that ONCRT fully demonstrates all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.

Concur: OVW will coordinate with ONCRT to ensure that they fully demonstrate all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.

2. Ensures that ONCRT maintains auditable source documentation for information reported in progress reports.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Omaha Nation Community Response Team (ONCRT), Walthill, Nebraska

Concur: OVW will coordinate with ONCRT to ensure that they maintain auditable source documentation for information reported in progress reports.

3. Ensures that ONCRT submits all MOU partner changes for review.

Concur: OVW will coordinate with ONCRT to ensure that they submit all MOU partner changes for review.

4. Ensures that ONCRT demonstrate that they have complied with four of the programmatic based special conditions by providing auditable source documentation.

Concur: OVW will coordinate with ONCRT to ensure that they demonstrate that they have complied with four of the programmatic based special conditions by providing auditable source documentation.

5. Ensures that ONCRT update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.

Concur: OVW will coordinate with ONCRT to ensure that they update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.

6. Remedy \$26,896 in unsupported transactions charged to the grant.

Concur: OVW will coordinate with ONCRT to ensure that they remedy \$26,896 in unsupported transactions charged to the grant.

7. Remedy \$5,786 in unallowable transactions charged to the grant.

Concur: OVW will coordinate with ONCRT to ensure that they remedy \$5,786 in unallowable transactions charged to the grant.

8. Coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.

Concur: OVW will coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.

9. Coordinate with ONCRT to ensure all future utilities expenses are uniformly and accurately charged to the grant.

Concur: OVW will coordinate with ONCRT to ensure all future utilities expenses are uniformly and accurately charged to the grant.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Omaha Nation Community Response Team (ONCRT), Walthill, Nebraska

10. Remedy \$2,583 in unsupported payroll costs charged to the grant.

Concur: OVW will coordinate with ONCRT to ensure that they remedy \$2,583 in unsupported payroll costs charged to the grant.

11. Remedy \$6,014 in unallowable payroll and fringe benefit costs charged to the grant.

Concur: OVW will coordinate with ONCRT to ensure that they remedy \$6,014 in unallowable payroll and fringe benefit costs charged to the grant.

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.

cc Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Suzanne Pugliese
Program Manager
Office on Violence Against Women

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

The OIG provided a draft of this audit report to the Omaha Nation Community Response Team (ONCRT) and the Office on Violence Against Women (OVW). The responses for ONCRT and OVW are incorporated in Appendices 3 and 4, respectively. OVW agreed with the recommendations, and as a result, the status of the report is resolved. In its response to the draft report, ONCRT did not specifically state its agreement with the recommendations, but it stated actions intended to address each recommendation and agreed that the high turnover of staff caused some deficiencies. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OVW:

- 1. Ensure ONCRT fully demonstrates all activities, projects, and milestones completed, and to be completed in order to meet the goals and objectives of the award.**

Resolved. OVW agreed with the recommendation and stated that it will coordinate with ONCRT to ensure that ONCRT fully demonstrates all activities, projects, and milestones completed and to be completed in order to meet the goals and objectives of the award.

ONCRT stated the ONCRT Coordinator is currently working on this recommendation.

This recommendation can be closed when we receive supporting documentation fully demonstrating all activities, projects, and milestones completed, and to be completed, by ONCRT in order to meet the goals and objectives of the award.

- 2. Ensure that ONCRT maintains auditable source documentation for information reported in progress reports.**

Resolved. OVW agreed with the recommendation and stated that it will coordinate with ONCRT to ensure that ONCRT maintains auditable source documentation for information reported in progress reports.

ONCRT stated that the ONCRT Coordinator now is maintaining daily logs and maintaining records of events.

This recommendation can be closed when we receive documentation indicating that ONCRT is maintaining auditable source documentation, supporting the information reported in progress reports.

3. Ensure that ONCRT submits all MOU partner changes for review.

Resolved. OVW agreed with the recommendation and stated that it will coordinate with ONCRT to ensure it submits all MOU partner changes for review.

ONCRT stated it is currently reviewing the MOUs on file and will submit to OVW all MOU changes by April 30, 2019.

This recommendation can be closed when we receive supporting documentation showing all MOU changes have been submitted and approved by OVW.

4. Ensure that ONCRT demonstrate that it has complied with four of the programmatic-based special conditions by providing auditable source documentation.

Resolved. OVW agreed with the recommendation and stated that it will coordinate with ONCRT to ensure it demonstrates it has complied with four of the programmatic-based special conditions by providing auditable source documentation.

ONCRT stated that it is currently compiling the documentation demonstrating compliance for the special conditions and that it will submit this documentation to OVW by April 30, 2019.

This recommendation can be closed when we receive auditable source documentation showing ONCRT has complied with four of the programmatic-based special conditions.

5. Ensure that ONCRT update its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure ONCRT updates its business and financial policies and procedures manual to accurately reflect ONCRT's current staffing levels.

ONCRT stated that ONCRT policy change is on the agenda for its next board meeting and that it will send its updated policy to OVW by April 30, 2019.

This recommendation can be closed when we receive the updated business and financial policies and procedures manual, reflecting ONCRT's current staffing levels.

6. Remedy the \$26,896 in unsupported transactions charged to the grant.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure that it remedies the \$26,896 in unsupported transactions charged to the grant.

ONCRT stated it is currently locating the documentation for these transactions and will forward them to OVW by April 30, 2019.

This recommendation can be closed when we receive supporting documentation for the \$26,896 in unsupported transactions charged to the grant, or other documentation evidencing that the costs have been remedied.

7. Remedy the \$5,786 in unallowable transactions charged to the grant.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure the remedy of \$5,786 in unallowable transactions charged to the grant.

ONCRT stated it is working on locating the proper paperwork for these transactions and will submit the support to OVW by April 30, 2019.

This recommendation can be closed when the \$5,786 in unallowable transactions charged to the grant are properly remedied.

8. Coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure all future workers compensation expenditures are uniformly charged to the grant, in a way that is consistent with the approved budget.

ONCRT stated it has submitted a budget modification to OVW and that it is waiting on approval from OVW.

This recommendation can be closed when supporting documentation has been provided showing all future workers compensation expenditures will be uniformly charged to the grant, in a way that is consistent with the approved budget.

9. Coordinate with ONCRT to ensure all future utilities expenses are uniformly, and accurately charged to the grant.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure all future utilities expenses are uniformly and accurately charged to the grant.

ONCRT stated that it submitted a budget modification to OVW to accurately reflect the amount.

This recommendation can be closed when supporting documentation is provided showing all future utility expenses will be uniformly and accurately charged to the grant.

10. Remedy the \$2,583 in unsupported payroll costs charged to the grant.

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure the remedy of \$2,583 in unsupported payroll costs charged to the grant.

ONCRT stated that it submitted a budget modification to OVW to remedy the unsupported payroll costs.

This recommendation can be closed when supporting documentation is provided, showing the \$2,583 in unsupported payroll costs charged to the grant has been remedied.

11. Remedy the \$6,014 in unallowable payroll and fringe benefit costs charged to the grant

Resolved. OVW agreed with the recommendation and stated it will coordinate with ONCRT to ensure it remedies the \$6,014 in unallowable payroll and fringe benefit costs charged to the grant.

ONCRT stated that it has submitted a budget modification to OVW to remedy the unallowable payroll and fringe benefit costs.

This recommendation can be closed when supporting documentation is provided, showing the \$6,014 in unallowable payroll and fringe benefits costs charged to the grant have been remedied.



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