



**AUDIT OF OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO THE MONTANA COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE
HELENA, MONTANA**

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

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EXECUTIVE SUMMARY

The Office of the Inspector General, Audit Division, has completed an audit of five grants totaling \$1,932,398, awarded to the Montana Coalition Against Domestic and Sexual Violence (MCADSV) by the Office on Violence Against Women (OVW), shown in Table 1.

**TABLE 1. GRANTS AWARDED TO THE MONTANA COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE**

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2004-MU-AX-0048	08/16/2004	10/01/2004	09/30/2005	\$ 148,746
2004-MU-AX-0048 Supplement 1	09/27/2005	10/01/2004	09/30/2006	170,914
2004-MU-AX-0048 Supplement 2	09/12/2006	10/01/2004	09/30/2007	166,082
2006-FW-AX-K010	09/19/2006	10/01/2006	10/31/2008	200,000
2006-FW-AX-K010 Supplement 1	09/23/2008	10/01/2006	09/30/2009	550,000
2007-MU-AX-0004	09/13/2007	09/01/2007	08/31/2008	166,090
2007-MU-AX-0004 Supplement 1	09/23/2008	09/01/2007	08/31/2009	165,930
2007-MU-AX-0004 Supplement 2	09/25/2009	09/01/2007	08/31/2010	204,035
2008-TA-AX-0022	09/24/2008	09/01/2008	09/30/2009	4,351
2009-EU-S6-0027	06/29/2009	05/01/2009	04/30/2011	156,250
Total:				\$1,932,398

Source: The Office of Justice Programs' Grant Management System

The purpose of these awards is to provide recipients with the opportunity to develop and strengthen effective responses to violence against women.

OVW provides national leadership in developing the nation's capacity to reduce violence against women through the implementation of the Violence Against Women Act. Created in 1995, OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. By forging state, local, and tribal partnerships among police, prosecutors, victim advocates,

health care providers, faith leaders, and others, OVW grant programs help provide victims with the protection and services they need to pursue safe and healthy lives, while simultaneously enabling communities to hold offenders accountable for their violence.

OVW provides funding under two formula grant programs and 17 discretionary grant programs to aid communities across the country that are developing programs aimed at ending domestic violence and sexual assault. MCADSV receives funding from the following four OVW programs:

- **State Coalitions Program.** The State Sexual Assault and Domestic Violence Coalitions Program plays a critical role in the implementation of the VAWA and serves as a collective voice to end violence against women through collaboration with federal, state, and local organizations and by providing direct support to member rape crisis centers through funding, training, technical assistance, public awareness, and public policy advocacy.
- **Disability Grant Program.** The Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities Grant Program, created by VAWA in 2000, recognizes the need to focus on domestic violence, dating violence, stalking, and sexual assault against individuals with disabilities. The goal is to build the capacity of jurisdictions to address such violence against individuals with disabilities through the creation of multi-disciplinary teams. Recipients provide training, consultation and information on domestic violence, dating violence, stalking and sexual assault against individuals with disabilities and enhance direct services to such individuals.
- **Technical Assistance Program.** The Technical Assistance Program provides OVW grantees with the training, expertise, and problem-solving strategies they need to meet the challenges of addressing domestic violence, sexual assault, dating violence, and stalking. The projects offer educational opportunities, conferences, peer-to-peer consultation, site visits, and tailored assistance that allows grantees and others to learn from experts and one another about how to effectively respond to crimes of violence against women.
- **American Recovery and Reinvestment Act.** The stated purposes of the American Recovery and Reinvestment Act of 2009 are to create jobs and promote economic recovery; to assist those most impacted by the recession; and to provide investments needed to increase economic efficiency. The Recovery Act Grants to State Sexual Assault and

Domestic Violence Coalitions Program meets the goals of the Recovery Act through the technical assistance they provide to member programs.

MCADSV, located in Helena, Montana, is a statewide coalition of individuals and organizations working together to end domestic and sexual violence through advocacy, public education, public policy, and program development. Today, the organization's mission is to support and facilitate networking among the member organizations while advocating for social change in Montana. MCADSV represents over 50 programs across Montana that provide direct services to victims and survivors of domestic and sexual violence. The membership also includes other nonprofit and government organizations working to address issues related to domestic and sexual violence in a way that holds offenders accountable and provides support for the people they victimize.

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards, and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) the internal control environment; (2) grant drawdowns; (3) grant expenditures, including personnel costs; (4) budget management and control; (5) matching costs; (6) program income; (7) grant reporting; (8) accomplishment of grant requirements and objectives; (9) monitoring contractors; and (10) accountable property. We determined that indirect costs were not applicable to these grants.

As of May 17, 2010, MCADSV had been reimbursed \$1,517,134 of the \$1,932,398 awarded under the five grants in our audit. We performed detailed transaction testing of \$215,671, or approximately 14 percent of the \$1,531,481 that had been expended to date. We examined MCADSV's accounting records, budget documents, financial and progress reports, and operating policies and procedures and found that MCADSV:

- made drawdowns in excess of cumulative expenditures;
- paid \$6,557 in unallowable payroll costs;
- paid \$766 in unallowable fringe costs;
- incurred expenditures totaling \$52,449 in unapproved budget categories;
- did not record or report program income;

- did not consistently submit accurate Financial Status Reports;
- did not consistently submit timely or accurate Progress Reports; and
- has not formed a plan for project sustainability should federal funding expire.

Our report contains eight recommendations which are discussed in detail in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology appear in Appendix I of the report.

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INTRODUCTION

The Department of Justice (DOJ), Office of the Inspector General, Audit Division, has completed an audit of Grant Numbers 2004-MU-AX-0048, 2006-FW-AX-K010, 2007-MU-AX-0004, 2008-TA-AX-0022 and 2009-EU-S6-0027 totaling \$1,932,398, awarded to the Montana Coalition Against Domestic and Sexual Violence (MCADSV) by the Office on Violence Against Women (OVW). Grant Numbers 2004-MU-AX-0048 and 2007-MU-AX-0004, each with two additional supplements, were awarded under the Grants to State Sexual Assault and Domestic Violence Coalitions Program; Grant Number 2006-FW-AX-K010, with one additional supplement, was awarded under the Education and Technical Assistance to End Violence Against Women with Disabilities Discretionary Grant Program; Grant Number 2008-TA-AX-0022 was awarded under the Technical Assistance Conference Support Program; and, Grant Number 2009-EU-S6-0027 was awarded under the American Recovery and Reinvestment Act Grants to State Sexual Assault and Domestic Violence Coalitions Programs. The purpose of these awards is to provide recipients with the opportunity to develop and strengthen effective responses to violence against women. The award dates and individual amounts are shown in Table 1.

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The purpose of this grant audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) the internal control environment; (2) grant drawdowns; (3) grant expenditures, including personnel costs; (4) budget management and control; (5) matching costs; (6) program income; (7) grant reporting; (8) accomplishment of grant requirements and objectives; (9) monitoring contractors; and (10) accountable property. We determined that indirect costs were not applicable to these grants.

Background

OVW provides national leadership in developing the nation's capacity to reduce violence against women through the implementation of the Violence Against Women Act. Created in 1995, OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. By forging state, local, and tribal partnerships among police, prosecutors, victim advocates, health care providers, faith leaders, and others, OVW grant programs help provide victims with the protection and services they need to pursue safe and healthy lives, while simultaneously enabling communities to hold offenders accountable for their violence.

Montana Coalition Against Domestic and Sexual Violence

MCADSV, located in Helena, Montana, is a statewide coalition of individuals and organizations working together to end domestic and sexual violence through advocacy, public education, public policy, and program development. Today, the organization's mission is to support and facilitate networking among the member organizations while advocating for social change in Montana. MCADSV represents over 50 programs across Montana that provide direct services to victims and survivors of domestic and sexual violence. The membership also includes other nonprofit and government organizations working to address issues related to domestic and sexual violence in a way that holds offenders accountable and provides support for the people they victimize.

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solving strategies they need to meet the challenges of addressing domestic violence, sexual assault, dating violence, and stalking. The projects offer educational opportunities, conferences, peer-to-peer consultation, site visits, and tailored assistance that allows grantees and others to learn from experts and one another about how to effectively respond to crimes of violence against women.

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Our Audit Approach

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *Office of Justice Programs Financial Guide* and the award documents.

In conducting our audit, we performed sample testing in five areas — drawdowns; grant expenditures, payroll, fringe benefits, and match requirements. In addition, we reviewed the timeliness and accuracy of Financial Status Reports (FSRs) and Progress Reports, evaluated performance to grant objectives, evaluated the grantee's monitoring of subrecipients, and reviewed the internal controls of the financial management system.

Our audit objectives, scope and methodology are discussed in Appendix I.

FINDINGS AND RECOMMENDATIONS

We found that MCADSV's financial management system does not have an adequate system of internal controls to ensure accurate financial reporting to OVW. We also found that grant expenditures listed in the accounting records, including payroll costs, fringe costs, and unallowable budget transfers, were not consistently and accurately supported, resulting in unallowable costs totaling \$59,771.

Internal Control Environment

We reviewed the MCADSV financial management system, policies and procedures, and single audit reports to assess the risk of noncompliance to laws, regulations, guidelines, and the terms and conditions of the grants. We also interviewed the executive director, administrative director/financial manager, and fiscal coordinator, and we observed accounting activities to further assess risk. We identified previous single audit findings of deficiencies related to grant records that lacked adequate detail, and some grant-related costs that were inaccurately recorded.

Single Audit

Pursuant to the Office of Management and Budget (OMB) Circular A-133, MCADSV is required to perform a Single Audit annually. We reviewed all Single Audits from 2003-2008 and found that the 2007-2008 audits noted the following issues:

- Financial Statements do not accurately reflect the balances of accounts; a number of adjusting journal entries are included to correct account balances.
- The organization did not maintain accurate, complete, and current records with regards to cash by grant.

We also found that MCADSV accounting records did not consistently support the financial reports submitted to OVW. Specifically, we identified numerous drawdowns and FSRs which were not supported by the grantee's accounting records. MCADSV officials noted that the likely cause for these discrepancies was adjusting journal entries which were made after the yearly Single Audits. We expand on this issue in the Drawdowns and Grant Reporting sections of this report.

With regard to the related finding concerning the maintenance of accurate, complete, and current records of cash by grant, our analysis of drawdowns and FSR accuracy confirmed that accounting records were not consistently accurate. In response to the 2008 Single Audit, MCADSV officials noted that additional accounting staff had been hired to help remedy the situation, and we did see an improvement in more recent awards. Additionally, in June of 2010, MCADSV moved to an accrual based accounting system.

Drawdowns

According to MCADSV officials, drawdowns are made on a reimbursement basis approximately once per month. Each month the Administrative Director reviews the accounting records for each grant to determine the actual amount expended, and uses that total to make the drawdown request. To meet minimum cash on hand requirements, the *OJP Financial Guide* notes that recipients should time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements/reimbursements to be made immediately or within 10 days.

To determine if grant drawdowns were supported, we compared the drawdown requests to the accounting records for each grant. We also compared the total expenditures per the accounting records for each grant with the total drawdowns for the grant. As shown in Appendix III, we identified 45 drawdowns that were in excess of cumulative expenditures and for which the excess grant funds were not expended within the 10 days immediately following the drawdown.

MCADSV officials were unable to provide a definitive reason as to why the accounts appear to have been overdrawn on a relatively consistent basis, but noted that the most likely explanation may be year-end adjusting entries made after the A-133 Single Audits. As noted in the *Single Audit* section of this report, MCADSV officials did not consistently maintain accurate accounting records throughout the year and relied on the use of journal entries to correct the account balances.

We did note that there seemed to be improvement in recordkeeping for the American Reinvestment and Recovery Act award, the most recent of all grants in our audit. However, overdrafts on other grants have occurred as recently as April of 2010. The *OJP Financial Guide* requires that recipients maintain an adequate system of accounting and internal controls in order to meet the prescribed requirements for periodic financial reporting of operations, and to provide financial data for planning, control, measurement,

and evaluation of direct and indirect costs. MCADSV should have internal control procedures in place to prevent erroneous recordkeeping which may lead to inaccurate drawdowns.

Grant Expenditures

The *OJP Financial Guide* requires that costs claimed under the grants be reasonable, allocable, necessary to the project, and in compliance with funding statute requirements. To determine compliance with these criteria, and to verify that costs claimed were adequately supported, we performed testing of expenditures related to direct costs, personnel costs, and fringe costs.

Direct Costs

We selected 102 direct cost transactions totaling \$215,671 (14 percent of total grant expenditures) for review. Our testing included expenditures from all budget categories approved by OVW: Personnel, Fringe, Travel, Equipment, Supplies, Consultants/Contractual, and Other. We found that the expenditures tested were generally allowable and adequately supported.

Personnel Costs

To verify the reasonableness, accuracy, and completeness of salary and fringe benefit transactions charged to the grants, we conducted payroll testing by judgmentally selecting two non-consecutive pay periods which included grant-funded personnel expenditures. We compared the positions paid to those which had been approved by OVW during the application and award process, and identified a total of \$6,557 in unallowable payroll costs and an additional \$766 in unallowable fringe costs related to positions which were being paid using grant funds, but which had not been budgeted. These items are described in Appendix IV.

Contractor Costs

We reviewed contractor expenses to determine compliance with OVW and OJP requirements. In each award application, MCADSV included a budget narrative for OVW approval which identified the contractors to be paid using grant funds, and the *OJP Financial Guide* requires that a Grant Adjustment Notice be submitted should any changes be made to these budgets at a later date. To determine allowability for contracted expenses, we reviewed MCADSV budget narratives for each award to identify a list of approved contractors. We then compared this list to the accounting records for the grants to identify any unapproved contractors being paid with federal

funds. Based on our review, the contractors being paid by MCADSV have been approved and the costs are generally allowable.

Budget Management and Control

According to the *OJP Financial Guide*, a grantee may transfer funds between approved budget categories without OJP approval if the total transfers are 10 percent or less than the award amount. Using the accounting records provided to us by MCADSV officials, we compared the amounts charged to each budget category per the accounting records to the OVW approved budget for each award. In total, we identified \$52,449 in costs which had been expended over the 10 percent threshold allowable by OVW, as shown in Table 2 below.

TABLE 2. UNALLOWABLE CATEGORICAL SPENDING IN 2004-MU-AX-0048

BUDGET CATEGORY	AMOUNT APPROVED	AMOUNT SPENT	AMOUNT OVERBUDGET ¹
Personnel	\$159,688	\$141,729	-
Fringe Benefits	\$ 49,496	\$ 36,159	-
Travel	\$ 29,544	\$105,972	\$ 76,428
Equipment	\$ 9,388	\$ 13,065	\$ 3,677
Supplies	\$ 5,447	\$ 21,249	\$ 15,801
Contractual	\$191,583	\$121,855	-
Other	\$ 40,597	\$ 47,386	\$ 6,789
Total Amount Overbudget:			\$ 102,696
Allowable 10%:			(\$ 48,574)
Direct expenditures exceeding budget			(\$ 1,673)
Total Amount Questioned:			\$ 52,449

Source: Office of Justice Programs' Grant Management System; MCADSV accounting records.

Matching Costs

We determined that Grant Number 2004-MU-AX-0048 required a match from MCADSV. We obtained documentation from OJP detailing the amount required and requested all supporting documentation from MCADSV to verify adherence to the requirement. We also judgmentally selected 10 transactions from the match general ledgers to test for expenditure allowability. We determined that the matching costs were generally appropriate and allowable.

¹ Throughout this report, differences in the total amounts are due to rounding.

Program Income

Our interviews with grantee officials indicated that MCADSV generates minimal program income from conference registration fees. Officials indicated that the fees are received less than 20 times per year, and that the income is used to offset expenses related to the conference for which the registration fee was paid. However, we were unable to locate corresponding deposits in the accounting records provided. To ensure compliance with *OJP Financial Guide* requirements for discretionary awards, we recommend that MCADSV establish and maintain program accounts which will enable, on an individual basis, separate identification and accounting for the receipt and disposition of all funds, including program income.

Grant Reporting

We reviewed the FSRs and the Categorical Assistance Progress Reports required for all five awards, and the 1512(c) reports applicable only to the American Reinvestment and Recovery Act award. We found that FSRs were not always submitted accurately, and that Categorical Assistance Progress Reports were not always timely or accurate.

Financial Status Reports

According to the *OJP Financial Guide*, MCADSV is required to submit quarterly FSRs for the life of all grants. Prior to October 1, 2009, the *OJP Financial Guide* required that reports be submitted within 45 days of the end of each calendar quarter, or within 90 days for the final FSR. As of October 1, 2009, OJP requires that quarterly FSRs be submitted within 30 days of the end of the calendar quarter.

We reviewed the four most recent FSRs submitted for all grants in our audit and found that FSRs were generally submitted timely. We noted that MCADSV was 10 days late in filing the final FSR for grant number 2008-TA-AX-0022; however, the FSR, which had been drafted within the acceptable time period, included a note from an OJP point of contact indicating that OJP had assisted MCADSV in filing the final report. The only other instance in which we identified an FSR as having been submitted late occurred in June of 2007. As the late submissions are not consistently recurring issues, we do not consider them to be material.

We also reviewed the four most recent FSRs for accuracy and found that 12 out of the 20 most recent reports were cumulatively inaccurate by at least \$500, as shown in Table 3.

TABLE 3. FINANCIAL STATUS REPORT ACCURACY

FSR NO.	END DATE	CUMULATIVE EXPENSES PER FSR	CUMULATIVE EXPENSES PER ACCOUNTING RECORDS	CUMULATIVE DIFFERENCE
2004-MU-AX-0048				
9	12/31/2006	\$407,863	\$378,909	(\$28,955)
10	03/31/2007	\$452,576	\$423,693	(\$28,883)
11	06/30/2007	\$485,742	\$467,436	(\$18,306)
12	09/30/2007 (Final)	\$485,742	\$487,550	\$ 1,808
2006-FW-AX-K010				
11	06/30/2009	\$324,508	\$315,534	(\$ 8,974)
12	09/30/2009	\$383,427	\$379,207	(\$ 4,220)
13	12/31/2009	\$453,641	\$449,421	(\$ 4,220)
14	03/31/2010	\$519,747	\$515,528	(\$ 4,220)
2007-MU-AX-0004				
8	06/30/2009	\$301,935	\$298,704	(\$ 3,232)
9	09/30/2009	\$341,021	\$340,343	(\$ 678)
10	12/31/2009	\$377,401	\$376,809	(\$ 592)
11	03/31/2010	\$425,134	\$418,939	(\$ 6,195)
2008-TA-AX-0022				
2	12/31/2008	-	-	-
3	03/31/2009	-	-	-
4	06/30/2009	-	-	-
5	09/30/2009 (Final)	\$ 4,066	\$ 2,310	(\$ 1,756)
2009-EU-S6-0027				
1	06/30/2009	-	-	-
2	09/30/2009	\$ 18,549	\$ 18,549	-
3	12/31/2009	\$ 33,425	\$ 33,425	-
4	03/31/2010	\$ 51,334	\$ 51,334	-

Source: Office of Justice Programs' Grant Management System; MCADSV accounting records.

Categorical Assistance Progress Reports

According to the *OJP Financial Guide*, semi-annual Progress Reports are due on January 30 and July 30 for the life of the grants. We reviewed the last four reports for Grant Numbers 2004-MU-AX-0048, 2006-FW-AX-K010, and 2007-MU-AX-0004. For awards which had been made more recently, we reviewed all progress reports which were available at the time of our audit. This included three progress reports for Grant Number 2008-TA-AX-0022 and two for Grant Number 2009-EU-S6-0027. Our review concerning Progress Report timeliness showed that 5 out of the most recent 17 progress reports were submitted late, as shown in Table 4.

TABLE 4. CATEGORICAL ASSISTANCE PROGRESS REPORT TIMELINESS

REPORT NO.	END DATE	DATE DUE	DATE SUBMITTED	DAYS LATE
2004-MU-AX-0048				
4	06/30/2006	07/30/2006	11/09/2006	102
5	12/31/2006	01/30/2007	01/30/2007	0
6	06/30/2007	07/30/2007	07/30/2007	0
7	09/30/2007 (Final)	12/29/2007	06/18/2008	172
2006-FW-AX-K010				
4	06/30/2008	07/30/2008	07/30/2008	0
5	12/31/2008	01/30/2009	01/30/2009	0
6	06/30/2009	07/30/2009	07/30/2009	0
7	12/31/2009	01/30/2010	02/01/2010	2
2007-MU-AX-0004				
2	06/30/2008	07/30/2008	08/20/2008	0
3	12/31/2008	01/30/2009	01/30/2009	0
4	06/30/2009	07/30/2009	07/30/2009	0
5	12/31/2009	01/30/2010	02/01/2010	2
2008-TA-AX-0027				
1	12/31/2008	01/30/2009	01/28/2009	0
2	06/30/2009	07/30/2009	07/27/2009	0
3	12/31/2009 (Final)	03/31/2010	01/26/2010	0
2009-EU-S6-0027				
1	06/30/2009	07/30/2009	09/02/2009	0
2	12/30/2009	01/30/2010	02/03/2010	4

Source: Office of Justice Programs' Grant Management System; MCADSV accounting records.

We also reviewed Progress Reports for the two most recent reporting periods for each award to determine the accuracy of the statistical information that had been reported to OVW. MCADSV officials noted that statistical data is collected from staff on a quarterly basis, and that management compiles this data in order to submit the semi-annual reports to OVW. However, the staff submissions provided for review were incomplete, and therefore did not consistently support what had been reported to OVW.

We contacted MCADSV management to determine the reason for the discrepancies between the records provided and what was recorded on the final version of the Progress Report submitted to OVW. We were told that management, after receiving quarterly activity reports from all staff, makes final alterations to the data in attempt to ensure that staff activities are reported with the correct award. However, this process is not consistently documented, resulting in the submission of progress reports which cannot be

statistically supported. We recommend that MCADSV implement policy to ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation as required by the *OJP Financial Guide* and the Government Performance and Results Act.

Accomplishment of Grant Requirements and Objectives

We reviewed the award documentation for all grants in our audit to determine if there were additional requirements to which MCADSV must adhere. We also reviewed the award documentation, conducted interviews with grantee officials, and gathered input from MCADSV member organizations to determine if MCADSV is meeting the objectives of each grant program.

American Reinvestment and Recovery Act

We determined that the ARRA award 2009-EU-S6-0027 requires the recipient to complete projects or activities which are funded under the Recovery Act and to report on the use of Recovery Act funds. The reports are due no later than 10 calendar days after each calendar quarter in which the recipient receives Recovery Act funds, and information from these reports is made available to the public. We determined that three reporting periods for the 1512(c) reports had occurred at the time our audit commenced; the first was from February 17 - September 30, 2009; the second from October 1 - December 31, 2009; and the most recent from January 1 - March 31, 2010. We accessed reporting information for all three time periods and determined that MCADSV had submitted each report timely.

Program Sustainability

Grant Number 2006-FW-AX-K010 requires that MCADSV develop and implement a realistic plan to sustain project activities beyond seeking additional funding. A plan for sustainability is critical not only to ensure that progress made with federal funding would not be lost should that funding expire, but also to encourage active member participation. Our interviews with partner organizations indicated that concerns regarding project sustainability may be a hindrance to active involvement; specifically, that agencies may be hesitant to invest resources in a program if there are concerns regarding long term sustainability. However, our interviews with MCADSV officials revealed that no actual plan for sustainability is in place, and the only actions that would be taken should federal funding expire would be a more active pursuit of additional state and foundation funding. We

recommend that OVW coordinate with MCADSV to ensure that a sustainability plan is in place to ensure that progress made with federal funds would not be lost should that funding expire.

Accomplishment of Grant Objectives

According to the award documentation, the purpose of the grants awarded to MCADSV is to provide recipients the opportunity to develop and strengthen effective responses to violence against women. MCADSV officials specifically identified the provision of training, technical assistance, resources, and the ability to offer networking opportunities to member agencies as primary goals of the awards. The organization also focuses on providing assistance to criminal justice entities, prosecutors, and mental health organizations. As detailed below, goals and objectives are further clarified as they are related to each individual award.

Grant Numbers 2004-MU-AX-0048 and 2007-MU-AX-0004 were both funded by the State Coalitions Program, which allows for funds to be used to coordinate state victim service activities; and to collaborate and coordinate with federal, state, and local entities engaged in violence against women activities. MCADSV has addressed these goals through outreach to the public, the provision of a variety of training events and workshops, including collaborative efforts with the Montana Department of Justice; implementation of a statewide media campaign to educate the public on issues related to domestic violence and sexual assault; and, by providing resource information through regular publications. Specific victim service programs are offered through a partnership with the Montana Legal Services, which provides volunteer services and legal training to member organizations across the state.

Funded by OVW's Technical Assistance Program, Grant Number 2008-TA-AX-0022 offers educational opportunities, conferences, peer-to-peer consultations, site visits, and tailored assistance that allows OVW grantees and others to learn from experts and one another about how to effectively respond to crimes of violence against women. MCADSV utilized the award primarily to provide support for travel and lodging costs associated with presentations at the organization's annual conference, and to provide scholarships for attendees throughout the state. These are both types of support which were approved by OVW, and therefore we determined that MCADSV met the stated goals of the Technical Assistance Program.

The American Reinvestment and Recovery Act funded Grant Number 2009-EU-S6-0027, and stresses the creation of new jobs and expansion of

technical assistance to members. We determined that MCADSV had met these goals through the hire of a full time Communications Coordinator who works with the Executive Director to improve strategic communication and public awareness of issues related to domestic violence and sexual assault. Additionally, the organization has increased its ability to offer technical assistance to members by upgrading its computer system to allow for webinar based training efforts.

We were not able to make a reasonable judgment as to whether the goals and objectives of the Disability Grant Program, Grant Number 2006-FW-AX-K010, have been met. This award revolves around the Harvesting Hope collaborative, a group which includes MCADSV employees and partner agencies tasked with the provision of education and technical assistance for the purpose of providing training, consultation, and information on domestic violence, stalking, and sexual assault against women with disabilities. OVW officials connected with this award had met with MCADSV officials on three separate occasions between February of 2007 and March of 2010, in part due to the grantee's overall confusion regarding the purpose and parameters of the grant program. OVW and MCADSV officials had worked closely to develop a strong framework for the strategic plan, and in September of 2009 a reworked plan had been finalized and MCADSV was able to report success in certain areas of the program. Specifically, they had developed a new training initiative involving Social Role Valorization, a technique they believe will be a strong tool in addressing issues unique to victims with disabilities.

OVW officials made a third visit to MCADSV headquarters in March of 2010, when it was determined that the collaborative would not be able to complete all initiatives identified in the strategic plan. Records from both MCADSV and OVW indicate a belief that the collaborative is committed to the project and demonstrates a willingness to continue, but that the individuals remaining on the project do not have the resources, time, or capacity to implement the project as it was envisioned during the strategic planning phase of the award. Grant Number 2006-FW-AX-K010 represents a \$750,000 investment by OVW, we encourage OVW to continue its increased oversight of this and all awards received by MCADSV.

Monitoring Contractors

Between 2004 and 2010, MCADSV used subrecipient contractors to advance the goals and objectives of the awards. According to the *OJP Financial Guide*, direct recipients should ensure that monitoring of organizations under contract is performed in a manner that will ensure compliance with their overall financial management requirements and

provide reasonable assurance that the subrecipient administered federal awards in compliance with federal requirements. *OMB Circular A-110* further states that a "system for contract administration shall be maintained to ensure contractor performance with the terms, conditions and specifications of the contract. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract."

Our interviews with MCADSV officials revealed that oversight exists on two levels. Regarding the financial management system, the grantee conducts yearly reviews of single audits for all partner organizations. MCADSV's primary contractors include Montana State University, Billings; Mental Health America, Montana; and the Montana Legal Services Association. For partners of this size, a review of single audits is an adequate review of a contractor's financial management system. MCADSV officials also reported that they are in constant communication with their contracted partners regarding the goals of the grants. Since the partnerships are collaborative efforts, we believe it is reasonable to conclude that the regular interaction required to carry out objectives of the partnerships constitutes performance oversight.

Accountable Property

We confirmed that MCADSV utilizes the *OJP Financial Guide* criteria of cost greater than \$5,000 and a useful life of over one year in order to identify accountable property, and we obtained their official accountable property list. We physically verified that each piece of property was located in MCADSV headquarters and that it was identified as having been federally funded. Over the course of our field work, we did not identify any situation in which property was used for purposes which were not grant related.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant, and to determine program performance and accomplishments.

We found that the grantee did not comply with grant requirements in several material respects. Specifically, MCADSV made drawdowns which were not supported by their financial records, used grant funds to pay positions which had not been approved by OVW, expended funds in unapproved budget categories, did not accurately record and report program

income, did not submit accurate Financial Status Reports or accurate and timely Progress Reports, and had not created a realistic sustainability plan when required. Overall, we identified \$59,771 in unallowable or unsupported expenditures.

Recommendations

We recommend that the Office on Violence Against Women:

1. Ensure that drawdowns are made accurately.
2. Remedy the \$6,557 in unallowable payroll costs.
3. Remedy the \$766 in unallowable fringe costs.
4. Remedy the \$52,449 in unapproved budget transfers.
5. Accurately record and report program income.
6. Ensure that Financial Status Reports are accurate.
7. Ensure that Progress Reports are timely and accurate.
8. Coordinate with MCADSV to ensure that a realistic sustainability plan is in place when required.

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of this grant audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) the internal control environment; (2) grant drawdowns; (3) grant expenditures, including personnel costs; (4) budget management and control; (5) matching costs; (6) program income; (7) grant reporting; (8) accomplishment of grant requirements and objectives; (9) monitoring contractors; and (10) accountable property. We determined that indirect costs were not applicable to these grants.

Our testing was conducted by judgmentally selecting for analysis a sample of expenditures from the grants we audited and by performing reviews of internal controls and procedures. Judgmental sampling design was applied to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts, expenditure category or risk. This non-statistical sample design does not allow projection of the test results to all grant expenditures or internal controls and procedures.

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. Our audit concentrated on, but was not limited to the earliest award start date of October 1, 2004 through May 28, 2010, the date our field work concluded.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide* and the award documents.

In conducting our audit, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts or expenditure category. This non-statistical sample design does not allow projection of the test results to the universes from which the samples were selected. We reviewed 121 grant expenditures, including personnel costs, and all 116 drawdowns.

APPENDIX I

In addition, we reviewed MCADSV's budget management and control; evaluated the timeliness and accuracy of Financial Status Reports and Progress Reports; evaluated performance to grant objectives; evaluated the grantee's monitoring of contractors; assessed compliance with the conditions of the awards, including special requirements applicable only to American Recovery and Reinvestment Act awards; and reviewed the internal controls of the current financial management system. However, we did not test the reliability of the current financial management system as a whole since reliance on computer based data was not significant to our objectives.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS	PAGE	AMOUNT
Unallowable Payroll Costs	7	\$ 6,557
Unallowable Fringe Costs	7	\$ 766
Unapproved Budget Transfers	8	\$ 52,449
Total Questioned Costs:		\$59,771

APPENDIX III

DRAWDOWNS VERSUS ACCOUNTING RECORDS

DATE OF DRAWDOWN PER OJP	AMOUNT OF DRAWDOWN PER OJP	CUMULATIVE DRAWDOWNS PER OJP	CUMULATIVE EXPENDITURES PER ACCOUNTING RECORDS	DIFFERENCE
2004-MU-AX-0048				
04/01/2005	\$16,703	\$ 40,874	\$ 39,994	(\$ 880)
12/02/2005	\$ 9,599	\$194,969	\$191,641	(\$ 3,328)
01/06/2006	\$79,568	\$274,537	\$215,083	(\$59,454)
07/03/2006	\$ 9,709	\$284,246	\$283,817	(\$ 429)
08/01/2006	\$21,542	\$305,788	\$305,359	(\$ 429)
11/01/2006	\$19,175	\$352,234	\$351,806	(\$ 429)
12/01/2006	\$20,116	\$372,350	\$371,629	(\$ 722)
02/01/2007	\$12,098	\$391,740	\$391,006	(\$ 734)
03/06/2007	\$36,087	\$427,827	\$414,996	(\$12,832)
04/10/2007	\$ 8,095	\$435,923	\$426,698	(\$ 9,225)
05/03/2007	\$14,195	\$450,118	\$437,688	(\$12,430)
06/14/2007	\$18,662	\$468,780	\$458,288	(\$10,492)
07/06/2007	\$11,086	\$479,866	\$467,436	(\$12,430)
2006-FW-AX-K010				
04/10/2007	\$ 9,393	\$ 42,494	\$ 37,287	(\$ 5,207)
05/03/2007	\$15,346	\$ 57,840	\$ 51,543	(\$ 6,297)
08/07/2007	\$12,325	\$104,790	\$ 98,492	(\$ 6,297)
02/07/2008	\$11,387	\$161,527	\$155,074	(\$ 6,453)
03/05/2008	\$ 6,238	\$167,765	\$161,312	(\$ 6,453)
04/08/2008	\$ 3,944	\$171,708	\$165,527	(\$ 6,181)
05/06/2008	\$ 3,883	\$175,591	\$169,409	(\$ 6,181)
06/09/2008	\$ 3,568	\$179,159	\$172,977	(\$ 6,181)
07/10/2008	\$ 2,739	\$181,898	\$175,981	(\$ 5,917)
08/05/2008	\$ 4,909	\$186,807	\$180,902	(\$ 5,905)
09/04/2008	\$ 3,029	\$189,836	\$183,931	(\$ 5,905)
10/02/2008	\$ 5,325	\$195,161	\$189,253	(\$ 5,908)
11/10/2008	\$ 9,387	\$204,548	\$198,645	(\$ 5,902)
12/09/2008	\$12,512	\$217,059	\$211,157	(\$ 5,902)
02/04/2009	\$15,617	\$243,804	\$237,581	(\$ 6,223)
04/03/2009	\$11,554	\$264,293	\$258,792	(\$ 5,502)
08/07/2009	\$24,485	\$346,242	\$340,019	(\$ 6,223)
01/11/2010	\$20,103	\$455,652	\$449,867	(\$ 5,785)
04/02/2010	\$15,223	\$522,119	\$515,528	(\$ 6,591)

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2007-MU-AX-0004				
10/15/2007	\$ 6,123	\$ 6,123	\$ 4,820	(\$ 1,303)
12/04/2007	\$14,409	\$ 31,168	\$ 25,091	(\$ 6,077)
06/09/2008	\$14,718	\$127,804	\$121,795	(\$ 6,010)
07/10/2008	\$11,578	\$139,383	\$133,422	(\$ 5,960)
08/05/2008	\$22,453	\$161,836	\$155,901	(\$ 5,935)
09/04/2008	\$ 569	\$162,406	\$156,790	(\$ 5,615)
10/08/2008	\$ 9,758	\$175,737	\$170,426	(\$ 5,310)
11/10/2008	\$ 8,054	\$183,790	\$178,720	(\$ 5,070)
12/09/2008	\$11,400	\$195,190	\$190,201	(\$ 4,989)
03/05/2009	\$20,941	\$245,730	\$241,103	(\$ 4,626)
04/03/2009	\$10,665	\$256,395	\$252,922	(\$ 3,473)
06/04/2009	\$16,180	\$287,878	\$285,084	(\$ 2,794)
2008-TA-AX-0022				
11/06/2009	\$ 1,686	\$ 4,066	\$ 3,964	(\$ 102)

Source: Drawdown history provided by OJP; MCADSV accounting records.

DETAILED UNALLOWABLE PAYROLL COSTS

POSITION	DATES	CHARGED TO	AMOUNT QUESTIONED
Fiscal Coordinator	All payments	2006-FW-AX-K010	\$ 425
Fiscal Coordinator	All payments	2007-MU-AX-0004	\$2,586
Fiscal Coordinator	All payments	2009-EU-S6-0027	\$1,375
Executive Director	All payments	2009-EU-S6-0027	\$2,170
Total Questioned Costs:			\$6,557

DETAILED UNALLOWABLE FRINGE COSTS

POSITION	DATES	CHARGED TO	AMOUNT QUESTIONED
Fiscal Coordinator	All payments	2006-FW-AX-K010	\$ 46
Fiscal Coordinator	All payments	2007-MU-AX-0004	\$281
Fiscal Coordinator	All payments	2009-EU-S6-0027	\$148
Executive Director	All payments	2009-EU-S6-0027	\$291
Total Questioned Costs:			\$766

GRANTEE RESPONSE TO THE DRAFT REPORT

September 13, 2010

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

Dear Mr. Sheeren:

This correspondence includes the Montana Coalition Against Domestic and Sexual Violence’s (MCADSV) response to the Office of Inspector General (OIG) recommendations outlined on page 16 of the draft audit report which we received on August 24th, 2010.

MCADSV’s Response to OIG Recommendations

1. Ensure that drawdowns are made accurately.

MCADSV acknowledges that there has been a problem identified with the accuracy of our drawdown amounts over the entirety of the period being audited. Because we were on a cash basis of accounting, our year-end adjustments affected our calculations as identified in the audit report. The year-end adjustments were made during the audit period each year (late summer/early fall) and once made, these affected the total expenses from the start of the year which then affected our drawdown amounts. As of June 2010, we have transitioned to a new accounting system which allows for us to be on an accrual basis of accounting.

2. Remedy the \$6,557 in unallowable payroll costs.

MCADSV acknowledges the issue of unallowable payroll costs as indicated by the OIG auditor, but disputes the issue of whether or not these should be considered unallowable costs.

As noted in the chart in Appendix IV, the payroll costs in question are primarily in regard to our Fiscal Coordinator position. In July 2009, MCADSV made the decision to rename two staff positions. Originally, we had in place a Financial Manager position and were hiring for a Program Manager position. It was decided that we would promote the Financial Manager staff person at that time and create a new position entitled Administrative Director (which replaced the Program Manager position). The duties were then redistributed to the new Administrative Director position and a Fiscal Coordinator position was created. All of the duties of the

APPENDIX V

Financial Manager position were either maintained by the Administrative Director position or delegated to the Fiscal Coordinator position.

In all of our Office of Violence Against Women (OVW) grant applications (prior to and during this period) we had budgeted for funding for the original positions which now were renamed with new titles but maintained similar duties. Therefore, we believe these were justifiable and allowable payroll costs. We were unaware that a GAN or other permission was needed in order to change the title of the positions. We would be happy to provide detailed job descriptions for the various proposed and finalized positions in order to further explain our justification for how this was primarily a change in title and not in proposed scope of work or qualifications.

In regard to the unallowable payroll costs for the Executive Director position, we made the decision to have the Executive Director supervise the Communications Coordinator position instead of the Administrative Director (formerly Financial Manager). Therefore, we charged the Executive Director's time to the ARRA grant. The total personnel costs charged between the various positions were not above our original proposed personnel costs so we believed we were within our authority to make this minor change. We were unaware that we needed specific permission to do so.

3. Remedy the \$766 in unallowable fringe costs.

As this issue relates to the unallowable payroll costs, our answer is the same as the explanation in response #2.

4. Remedy the \$52,449 in unapproved budget transfers.

The unapproved budget transfers happened primarily by prior MCADSV management of which the current Executive Director and Administrative Director (who currently administer and manage the OVW funds) were not a part of nor were they responsible for the decisions being made. At this time, we have been unable to locate documentation for whether or not previous management received approval for the budget transfers due to lack of documentation from that time period. We do have concerns about how the expenses were accounted for during the time period in question. For instance, upon review of the travel expenses for that period, a number of the accounting records indicate the expenses were miscoded to travel when they should have been assigned to a different budget category. As noted in the report, this is for a grant award that has been closed since 2007.

5. Accurately record and report program income.

MCADSV acknowledges that we have not been recording and reporting program income according to the Office of Inspector General's standards and have identified where we misunderstood proper procedure. We will remedy this issue for the future. Thus far the program income in question has been very minimal.

6. Ensure that Financial Status Reports are accurate.

APPENDIX V

We acknowledge that there have been issues with our Financial Status Reports being accurate for the same reasons as explained above in response #1.

7. Ensure that Progress Reports are timely and accurate.

We acknowledge that there have been times when our Progress Reports have not been submitted on time. We disagree with a few items of information in Table 4 on page 11 of the draft report.

We dispute that we were late submitting our report on 08/20/2008 (report number 2 from the 2007-MU-AX-0004 award). As explained during the OIG audit process, all of the State Coalitions received permission from OVW at the time to submit late reports due to the updated reporting forms not being available. We have documentation of communications from our OVW Program Manager about this particular reporting period. We would request this information be changed in the draft report. (Please see attached scanned emails for documentation).

Also, we dispute that we were late with the report on 09/02/2009 (report number 1 from the 2009-EU-S6-0027). We submitted this report within the time period instructed by our OVW Program Manager. We have correspondence with our OVW Program Manager regarding the submission of these reports. We would request this information be changed in the draft report. (Please see attached scanned emails for documentation).

Finally, we want to make a point that although we acknowledge we were late submitting the reports in January of 2010, we feel it is important to note that the Progress Reports during this time period were ready to be submitted by the due date, but we were unable to do so based on a problem with GMS's version of Adobe. This was not an issue we were made aware of ahead of time by OVW and we communicated with GMS and OVW staff throughout the period of delay. We believe the fact that these reports were not submitted on time was not our error, but are willing to take ultimate responsibility for the 2-3 day delay.

8. Coordinate with MCADSV to ensure that a realistic sustainability plan is in placed when required.

We dispute this finding as we believe that a sustainability plan is in place, although may not be in written form at this time. The grant period for this award is not yet complete at the time of this audit finding and we believe we should be allowed additional time to be able to draft a written sustainability plan if that is the required expectation of OVW.

APPENDIX V

As a general response to these findings, we want to assure OVW and OIG that MCADSV has made significant improvements and changes over the last four years regarding our internal financial processes and capacity. We have two full-time in-house financial staff positions, we have contracted with an outside accountant for additional assistance, have recently transitioned to a new accounting system, and our staff have attended numerous trainings and are prepared to continue to improve. We hope that OIG and OVW will acknowledge these improvements and be willing to work towards sensible and reasonable solutions for the problems identified.

Sincerely,

Kelsen Young
Executive Director

OVW RESPONSE TO THE DRAFT REPORT

September 21, 2010

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Susan B. Carbon
Director
Office on Violence Against Women

Rodney Samuels
Audit Liaison
Office on Violence Against Women

SUBJECT: Response to the Draft Audit Report – Office on Violence Against Women
Grants to the Montana Coalition Against Domestic and Sexual Violence,
Helena, Montana

This memorandum is in response to your correspondence dated August 24, 2010 transmitting the draft audit report for the Montana Coalition Against Domestic and Sexual Violence (MCADSV). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **eight** recommendations and **\$59,771** in unallowable or unsupported questioned costs. The following is an analysis of the audit recommendation:

1) Ensure that drawdowns are made accurately.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain a copy of their policies and procedures to ensure that drawdowns are made accurately.

2) Remedy the \$6,557 in unallowable payroll costs.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation for the \$6557 in unallowable payroll costs.

3) Remedy the \$766 in unallowable fringe costs.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation for the \$766 in unallowable fringe costs.

4) Remedy the \$52,449 in unapproved budget transfers.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation for the \$52,449 in unapproved budget transfers.

5) Accurately record and report program income.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation to ensure that program income is recorded and reported accurately.

6) Ensure that Financial Status Reports are accurate.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation to ensure that Financial Status Reports are accurate.

7) Ensure that Progress Reports are timely and accurate.

OVW agrees with this recommendation. We will coordinate with MCADSV to obtain documentation to ensure that Progress Reports are timely and accurate.

8) Coordinate with MCADSV to ensure that a realistic sustainability plan is in place when required.

OVW agrees with this recommendation. We will coordinate with MCADSV to ensure that they have a realistic sustainability plan in place when required.

APPENDIX VI

We appreciate the opportunity to review and comment on the draft report. We will continue to work with the Montana Coalition Against Domestic and Sexual Violence to address the recommendations. If you have any questions or require additional information, please contact Rodney Samuels or my staff at (202) 514-9820.

cc: Richard Theis
Assistance Director
Audit Liaison Group
Justice Management Division

Kotora Padgett
Accounting Officer
Office on Violence Against Women

Kelsen Young
Executive Director
Montana Coalition Against Domestic and Sexual Violence

Kevin Sweeney
Program Specialist
Office on Violence Against Women

OFFICE OF THE INSPECTOR GENERAL, AUDIT DIVISION
ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO
CLOSE REPORT

1. **Resolved.** In its response to the draft report, MCADSV cited the previously used accounting system and the reliance on single audits to identify necessary adjustments to be made at year-end as the reason for inaccurate accounting records. As noted in the *Single Audits* section of this report, MCADSV had previous single audit findings regarding inaccurate recordkeeping. All grantees are required to maintain an accounting system that is capable of accurately recording grant-related expenditures. In its response to the draft report, OVW agreed with our finding and recommendation. This recommendation can be closed when we receive a copy of the procedures implemented to ensure that accounting records are monitored throughout the year to make certain that financial information is current and accurate.
2. **Resolved.** In its response to the draft report, MCADSV disputed that these payroll costs should be considered unallowable, but conceded that OVW approval had not been obtained before altering or adding positions that would be paid using grant funds. The addition of positions to an award requires approval by the granting agency, and we have reported these costs as unallowable due to the fact that this approval had not been obtained. OVW agreed with this finding and recommendation. This recommendation can be closed when we receive verification that OVW has remedied the \$6,557 in unallowable payroll costs.
3. **Resolved.** As noted above, MCADSV officials disputed these fringe benefit costs as unallowable, but conceded that OVW approval had not been obtained before altering or adding positions that would be paid using grant funds. OVW agreed with this finding and recommendation. This recommendation can be closed when we receive verification that OVW has remedied the \$766 in unallowable fringe benefit costs.
4. **Resolved.** This recommendation can be closed when we receive verification that OVW has remedied the \$52,449 in unallowable budget transfers.

APPENDIX VII

5. **Resolved.** This recommendation can be closed when we receive a copy of the procedures implemented to ensure that program income is accurately recorded and reported.
6. **Resolved.** This recommendation can be closed when we receive a copy of the procedures implemented to ensure that Financial Status Reports are submitted accurately.
7. **Resolved.** In its response to the draft report, MCADSV provided documentation from OVW that excluded two Progress Reports from the traditional reporting period deadlines. We agree that two late submissions for Progress Reports related to awards 2009-EU-S6-0027 and 2007-MU-AX-0004 were excused by OVW, reducing the total number of late submissions from seven to five, and we have adjusted this report accordingly. MCADSV officials did not address the issue of inaccurate Progress Reports in their response to the draft report. This recommendation can be closed when we receive documentation of the procedures implemented to ensure that Progress Reports are submitted accurately and in a timely manner.
8. **Resolved.** In its response to the draft report, MCADSV claimed that a sustainability plan is in place, but is not in written form. During our interviews, MCADSV officials noted that, should federal funding expire, continuation of the project would rely on additional funding from state and foundation grants. The development and implementation of a realistic sustainability plan has been a requirement of award 2006-FW-AX-K010 since 2006, and the 2008 supplement specifically requires that the plan include activities that go beyond seeking additional funding. OVW agreed with this finding and recommendation. This recommendation can be closed when we receive a copy of a realistic sustainability plan from MCADSV.