



**AUDIT OF OFFICE ON VIOLENCE AGAINST WOMEN
GRANT TO REDUCE DOMESTIC VIOLENCE, DATING
VIOLENCE, SEXUAL ASSAULT, AND STALKING ON
CAMPUS PROGRAM AWARDED TO
EAST CENTRAL UNIVERSITY, OKLAHOMA**

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 Grant Number 2007-WA-AX-0004, awarded by the Office on Violence Against Women (OVW), to East Central University (ECU), Oklahoma, in the amount of \$1,699,999 under the Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking On Campus Program.

The Grants to Reduce Violent Crimes Against Women on Campus Program was authorized by the Higher Education Amendments of 1998, reauthorized by the Violence Against Women Act of 2000, and then by the Violence Against Women and Department of Justice Reauthorization Act of 2005. The program provides a unique opportunity for institutions of higher education to establish multidisciplinary consortia to combat violent crimes against women on campuses. These comprehensive efforts are designed to enhance victim services, implement prevention and education programs, and develop and strengthen security and investigation strategies in order to prevent and respond to domestic violence, dating violence, sexual assault, and stalking crimes on campuses.

ECU is a four-year public university located in the rural city of Ada, Oklahoma. ECU will serve as the lead institution along with five member institutions in this flagship initiative.¹ The five member institutions include Northeastern State University (NSU), Northwestern Oklahoma State University (NWOSU), Southeastern Oklahoma State University (SOSU), Southwestern Oklahoma State University (SWOSU), and the University of Central Oklahoma. All of these institutions represent the Regional University System of Oklahoma

¹ Flagship projects consist of two or more institutions of higher education that share and are accountable to a common legislature, board of regents, governing board, or system with enforcement capabilities. One institution is designated as the principle institution and must be able to demonstrate competence and effective implementation of prior Campus Program awards for at least two grant periods, or four years. The principle institution will utilize key practices, policies, project activities, and products already in existence to lead other schools within their system to implement and incorporate them onto their respective campuses.

(RUSO) who will be serving approximately 42,795 students during this grant.

The RUSO Violence Prevention Project (VPP) will be the first attempt in the Oklahoma system of higher education to collectively and collaboratively address domestic violence, dating violence, sexual assault and stalking. Of the six institutions, ECU was the only one to create this specific program to address these issues.

The purpose of this audit was to determine whether reimbursements claimed for cost under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to assess risks and review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) grant expenditures, including personnel and indirect costs; (4) budget management and control; (5) matching; (6) property management; (7) program income; (8) financial and progress reports; (9) grant requirements; (10) program performance and accomplishments; and (11) monitoring of subgrantee and contractors. We determined that matching costs, property management, program income, and monitoring of subgrantee and contractors were not applicable to this grant. As shown in Exhibit 1, East Central University was awarded a total of \$1,699,999 to implement the grant.

EXHIBIT 1: OVW GRANT AWARDED TO EAST CENTRAL UNIVERSITY

GRANT AWARD	AWARD TYPE	AWARD DATE	AWARD END DATE	AWARD AMOUNT
2007-WA-AX-0004	Original	08/28/2007	08/31/2010	\$ 999,999
2007-WA-AX-0004	Supplement	09/24/2010	08/31/2012	700,000
Total:				\$ 1,699,999

Source: OJP Grants Management System (GMS)

We examined ECU’s accounting records, financial and program reports, and operating policies and procedures, and found:

- the Federal Financial Reports and Program Reports were submitted in a timely manner;
- ECU adhered to the 10 percent rule;
- payroll and indirect costs were accurate; and

- no indication that ECU's Campus Program has not been on track to accomplish the goals and objectives of the grants.

ECU's policies and procedures provided for segregation of duties, transaction traceability, and adequate internal controls. However, during our review, we identified:

- \$307,120 in advanced payments to the member institutions that remain unspent because ECU did not base drawdowns on actual expenditures;
- \$18,742 in interest earned over the life of the grant;
- Federal Financial Reports were not based on actual expenses; and
- we could not confirm some of the data reported in the Program Reports.

These items are discussed in detail in the *Findings and Recommendations* section of the report. Our audit objectives, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

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Background

The Office on Violence Against Women (OVW) is a component of the United States Department of Justice (DOJ). Created in 1995, OVW implements the Violence Against Women Act (VAWA) and subsequent legislation and provides national leadership against domestic violence, dating violence, sexual assault and stalking. Since its inception, OVW has launched a multifaceted approach to responding to these crimes. By forging State, local and tribal partnerships among police, prosecutors, the judiciary, victim advocates, health care providers, faith leaders, and others, OVW grants help provide victims with the protection and services they need to pursue safe and healthy lives and enable communities to hold offenders accountable.

East Central University

ECU is a four-year public university located in the rural city of Ada, Oklahoma. ECU will serve as the lead institution along with five member institutions in this flagship initiative.¹ The five member institutions include Northeastern State University (NSU), Northwestern Oklahoma State University (NWOSU), Southeastern Oklahoma State University (SOSU), Southwestern Oklahoma State University (SWOSU), and the University of Central Oklahoma. All of these institutions represent the Regional University System of Oklahoma (RUSO) who will be serving approximately 42,795 students during this grant.

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The RUSO Violence Prevention Project (VPP) will be the first attempt in the Oklahoma system of higher education to collectively and collaboratively address domestic violence, dating violence, sexual assault and stalking. Of the six institutions, ECU was the only one to create this specific program to address these issues.

Campus Program

Domestic violence, dating violence, sexual assault, and stalking are serious problems on college and university campuses. Addressing these crimes on campuses raises unique issues and challenges that Congress sought to address by creating the Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Program (Campus Program).

Unlike victims of violence against women in the larger community, students victimized by other students often face additional challenges in a "closed" campus environment. For example, a victim of domestic violence, dating violence, or sexual assault may continue to live in danger if the perpetrator resides in the same dormitory or attends the same classes. On smaller campuses, a victim may wish to remain anonymous but may find this to be virtually impossible in such an insular environment. Similarly, stalking victims may find it difficult to escape their tormentors, because the stalker may have a seemingly "legitimate" reason for remaining in contact with or in proximity to the victim (e.g., studying in the library). The fear and anguish suffered by rape victims may continue if they attend the same classes or live in the same dormitory as the perpetrator. In other cases, a victim may be harassed by classmates or by a perpetrator's friends who claim that the victim "asked for it" or "provoked" the crime. Even changing class schedules or living arrangements may not eliminate the threat of encountering the perpetrator on campus.

Survivors of domestic violence, dating violence, sexual assault, and stalking from diverse communities frequently confront additional challenges when seeking assistance. Victims with disabilities may struggle with obstacles, such as shelters that cannot physically accommodate them. International students, or the spouses or partners of international students, may face linguistic or cultural barriers to obtaining services. Likewise, victims from racial, ethnic, or religious minority groups may fear discrimination when they attempt to obtain services.

The Campus Program was designed to enhance victim services, implement prevention and education programs, and develop and strengthen security and investigation strategies in order to prevent and respond to domestic violence, dating violence, sexual assault, and stalking on campuses. The objectives of the grant were to:²

- create multi-disciplinary community education response teams on each campus;
- develop and establish a mandatory prevention and educational program about violence against women for all incoming, continuing, and transfer students;
- develop and implement an annual training program for all campus police from the six Regional University System of Oklahoma, Violence Prevention Project (RUSO-VPP) institutions in collaboration with the Oklahoma Coalition Against Domestic Violence and Sexual Assault, the Council on Law Enforcement Education and Training, and Oklahoma's Peace Officers Standards and Training Agency;
- implement training on each campus for disciplinary board members;
- develop and conduct campus and community educational and promotional events on violence against women's issues;
- strengthen and improve referral services between campus and community services in Ada, Alva, Durant, Edmond, Tahlequah, and Weatherford, Oklahoma; and
- expand and improve data collection to measure the outcome of the RUSO-VPP.

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* (OJP Financial Guide) and the award documents. We tested East Central University's:

² The supplemental grant strengthened and enhanced the grant objectives.

- **internal control environment** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grants;
- **grant drawdowns** to determine whether grant drawdowns were adequately supported and if East Central University was managing grant receipts in accordance with federal requirements;
- **grant budget management and controls** to determine if cumulative expenditures were in the normal confines of the grant budgets;
- **grant expenditures** to determine the accuracy and allowability of costs charged to the grants;
- **Federal Financial Reports and Program Reports** to determine if the required Federal Financial Reports and Program Reports were submitted on time and accurately reflect grant activities; and
- **grant objectives and accomplishments** to determine if East Central University met or is capable of meeting the grants' objectives.

These items are discussed in detail in the *Findings and Recommendations* section of the report. Our audit objectives, scope, and methodology are discussed in Appendix I.

FINDINGS AND RECOMMENDATIONS

We determined that East Central University's (ECU) policies and procedures provided for segregation of duties, transaction traceability, and adequate internal controls. We also found that ECU was generally in compliance in the following areas: financial and program report timeliness, budget management and control, and payroll and indirect cost testing. Additionally, we did not find any indication that ECU and the member institutions have not been on track to accomplish the goals and objectives of the grants. However, during our review, we identified \$307,120 in advanced payments to the member institutions that remain unspent because ECU did not base drawdowns on actual expenditures. Further, we found approximately \$18,742 in interest income earned over the life of this grant. Finally, the Federal Financial Reports were not based on actual expenses and we could not confirm all of the data reported in the Program Reports.

Internal Control Environment

We reviewed ECU's financial management system, policies and procedures, and Single Audit Reports to assess ECU's risk of non-compliance to laws, regulations, guidelines, and terms and conditions of the grant. We also interviewed ECU officials regarding payroll, purchasing, and accounts payable to further assess risk.

Single Audit

According to OMB Circular A-133, non-federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in a year in federal awards shall have a single or program-specific audit conducted for that year. According to the schedule of federal expenditures in the single audit for year ended June 30, 2010, expenditures of federal awards totaled \$38,639,004. Therefore, ECU was required under OMB Circular A-133 to have a single audit performed. According to the audit report, the auditors did not identify any material weaknesses in internal control over financial reporting or major programs.

Financial Management System

We reviewed ECU's financial management system to determine whether there are adequate internal controls for the accounting system and sufficient separation of duties. After reviewing the recordkeeping and procurement, receiving, and payment procedures along with interviewing responsible officials we concluded that there are adequate internal controls and separation of duties.

Drawdowns

ECU officials stated that drawdowns were based on reimbursements of actual expenditures from the accounting records. The University Comptroller stated that she runs a report on monthly expenses from the accounting system and bases drawdown requests on these reports. We reviewed the accounting records and compared drawdowns to the actual expenditures and found that overall, drawdowns and accounting records reconcile.

However, while the drawdowns were based on ECU's accounting records and expenditures, they were not based on actual expenses from the member institutions. According to the *OJP Financial Guide*, award recipient organizations should request funds based upon immediate disbursement/reimbursement requirements. Recipients should time their drawdown requests to ensure that federal cash on hand is the minimum needed for reimbursements to be made immediately, or within 10 days.

However, member institutions were advanced award money based on their total budgets for both the initial and supplemental awards. Consequently, we found that not all of the funds that were advanced to the member institutions have been expended. As seen in Exhibit 2, of the \$1,258,810 advanced to the member institutions, \$307,120 remains unspent. Some of the advanced payments date back to 2008. The Regional University System of Oklahoma, Violence Prevention Project (RUSO-VPP) Director stated that if the member institutions did not receive the funds in advance, then they could not run the program. Additionally, she stated that a no-cost extension will be requested so that the institutions have a chance to expend all award funds. We recommend that ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred. Further, we recommend that OVW ensure that all funds drawn down and advanced to the member institutions have been spent.

EXHIBIT 2: AMOUNT UNSPENT BY MEMBER INSTITUTIONS

BUDGET CATEGORY	AMOUNT ADVANCED	AMOUNT SPENT	AMOUNT REMAINING
Personnel	\$ 811,058	\$ 613,529	\$ 197,529
Fringe Benefits	359,869	290,981	68,888
Travel	14,390	1,751	12,639
Supplies	61,350	40,763	20,587
Other	12,143	4,666	7,477
TOTAL	\$1,258,810	\$951,690	\$307,120

Source: ECU and Member Institution Accounting Records

In addition, although we were informed by the Account Manager from the Oklahoma Office of State Treasurer that none of the other institutions earned interest on their federal funds, we found that two of the institutions have earned a combined \$18,742 in interest income on the federal funds they were advanced. As seen in Exhibit 3, Southwestern Oklahoma State University earned \$9,442 and Northwestern Oklahoma State University earned \$9,300 in interest due to the award funds sitting idle in their bank accounts. However, according to the *OJP Financial Guide*, the interest earned for this type of grant is not considered program income. The *OJP Financial Guide* states that Institutions of Higher Education return any interest income earned to the U.S. Department of Health and Human Services. The OVW Program Manager stated that these institutions must return all but \$250 in interest earned annually. As a result, we recommend that OVW remedy the interest earned on these grant funds, less the \$250 annual interest that may be retained for administrative expenses.

Exhibit 3: INTEREST INCOME EARNED

SCHOOL	INTEREST EARNED
Southwestern Oklahoma State University	\$ 9,442
Northwestern Oklahoma State University	9,300
TOTAL	\$ 18,742

Source: OJP Grants Management System (GMS)

Budget Management and Control

According to the *OJP Financial Guide*, movement of dollars between approved budget categories without a Grant Adjustment Notice (GAN) is allowable up to ten percent of the total award amount for awards greater than \$100,000. As noted in Exhibit 1, East Central University received an initial and supplemental award for a total of \$1,699,999. We compared the approved budgets for this award to the actual expenditures from ECU’s and the member institutions’

accounting records. As shown in Exhibit 4, we determined that grant expenditures did not exceed any of the budget categories.

EXHIBIT 4: BUDGET MANAGEMENT AND CONTROL³

COST CATEGORY	GRANT BUDGET	ACTUAL COSTS	AMOUNT OVER BUDGET
(10-percent threshold is \$170,000)			
Personnel	\$ 1,008,503	\$ 761,641	\$ (246,862)
Fringe Benefits	446,744	346,017	(100,727)
Travel	129,224	83,761	(45,463)
Equipment	-	-	-
Supplies	66,872	44,752	(22,120)
Construction	-	-	-
Contracts	1,800	-	(1,800)
Other	12,747	5,107	(7,640)
TOTAL DIRECT COSTS	\$ 1,665,890	\$ 1,241,278	\$ (424,612)
Indirect Costs	34,109	N/A	N/A
TOTAL COSTS	\$ 1,699,999	\$ 1,241,278	\$ (424,612)

Source: OJP Grants Management System (GMS) and ECU and Member Institution Accounting Records

Grant Expenditures

We reviewed the grant general ledger for ECU and selected a judgmental sample of 43 transactions, totaling \$118,317. However, we identified \$79,964 of this amount as advanced payments made to the member institutions. As we have previously found in the *Drawdowns* section of this report, payments to member institutions were based on their respective budgets instead of actual expenditures. During our initial testing, we found that \$40,032 of the \$79,964 remained unspent. Therefore, we decided to select an additional sample of 66 transactions in the amount of \$24,354 for testing. Overall, we found that all 109 transactions were properly authorized, properly classified, accurately recorded and properly supported.

³ It should be noted that indirect costs were not factored into our budget analysis. Indirect costs were included to illustrate total costs when compared to total grant budgets. Our analysis of indirect costs is noted further in this report.

Personnel Costs

We performed payroll testing to verify that labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant. We judgmentally selected two nonconsecutive pay periods (November 2010 and May 2011) for ECU and the member institutions and traced salary costs to payroll records for testing. We also verified pay rates and positions to those allowed in the approved budget. We found that for the pay periods selected, labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant. Additionally, we reviewed the fringe benefit cost pool elements from each campus and determined them to be reasonable.

Indirect Costs

According to the approved budget, indirect costs were approved for this grant. According to ECU officials, the current approved indirect cost rate is 38.2 percent for on campus programs and 9.8 percent for off campus programs. However, ECU officials decided to charge the grant at a four percent rate that was divided according to salary and fringe benefits among ECU and member institutions. As shown in Exhibit 5, the indirect cost rate was determined by calculating four percent of the total budgeted personnel and fringe benefits costs from the initial award. Indirect costs were not requested or approved in the supplemental award.

Exhibit 5: INDIRECT COST RATE CALCULATION

Budget Category	Amount
Personnel	\$ 592,170
Fringe Benefits	260,554
TOTAL	\$ 852,724
Indirect Cost Rate	4%
TOTAL IC Approved	\$ 34,109⁴

Source: OJP Grants Management System (GMS)

For indirect costs charged to the grant, we tested a judgmental sample of 10 indirect cost transactions to determine if they were

⁴ Throughout the report, the differences in the total amounts are due to rounding, in that the sum of individual numbers prior to rounding reported may differ from the sum of the individual numbers rounded.

correct. We took a summation of personnel and fringe benefit costs and multiplied the amount by four percent to determine if each indirect cost charge was calculated correctly. As shown in Exhibit 6, we found that indirect costs charged to this grant were calculated correctly.

EXHIBIT 6: INDIRECT COST CHARGES TESTED

Transaction Date	Transaction Description	Amount Charged to Grant	Indirect Cost Pool/Basis	Indirect Cost Charge Allowed	Cumulative Difference
1/13/2009	INDIRECT CHRG	\$ 30,047	\$ 751,179	\$ 30,047	\$ 0
1/23/2009	INDIRECT CHRG	192	4,800	192	0
2/10/2009	INDIRECT CHRG	193	4,826	193	0
3/24/2009	INDIRECT CHRG	176	4,410	176	0
4/15/2009	INDIRECT CHRG	172	4,311	172	0
7/16/2010	INDIRECT CHRG	174	4,346	174	0
9/16/2010	INDIRECT CHRG	172	4,311	172	0
10/4/2010	INDIRECT CHRG	172	4,311	172	0
10/18/2010	INDIRECT CHRG	172	4,311	172	0
11/23/2010	INDIRECT CHRG	164	4,102	164	0
TOTALS		\$ 31,634	\$ 790,907	\$ 31,634	\$ 0

Source: ECU Accounting Records

Reports

According to the *OJP Financial Guide*, award recipients are required to submit both financial and program reports.⁵ These reports describe the status of the funds and the project, comparison of actual accomplishments to the objectives, or other pertinent information. We reviewed the Federal Financial Reports and Program Reports, and found that both reports were submitted timely. However, not all Federal Financial Reports were accurate. Additionally, we could not confirm all the data submitted in the Program Reports.

⁵ Program Reports are also known as Progress Reports.

Financial Reports

The *OJP Financial Guide* states that effective for the quarter beginning October 1, 2009, grant recipients must report expenditures online using the Federal Financial Report (FFR) no later than 30 days after the end of each calendar quarter. We reviewed the last four financial reports submitted and found that all four were submitted timely.

The *Financial Guide* also states that recipients shall report the summary information on expenditures along with unliquidated obligations incurred for each quarter of the project on Federal Financial Reports. As such, we reviewed the last four submitted financial reports for accuracy by comparing them to the grant accounting records. As shown in Exhibit 7, we found that two of the four financial reports were inaccurate. For the financial reports ending December 31, 2010 and March 30, 2011, there was total difference of \$345.

EXHIBIT 7: FEDERAL FINANCIAL REPORT ACCURACY

REPORT No.	REPORT PERIOD FROM - TO DATES	GRANT EXPENDITURES PER REPORT	GRANT EXPENDITURES PER ACCOUNTING RECORDS	DIFFERENCE BETWEEN REPORTS & ACCOUNTING RECORDS
14	10/1/2010 - 12/31/2010	\$ 348,475	\$ 348,785	\$ 310
15	1/1/2011 - 3/30/2011	208,922	208,957	35
16	4/1/2011 - 6/30/2011	15,812	15,812	0
17	7/1/2011 - 9/30/2011	18,688	18,688	0
	TOTAL	\$ 591,897	\$ 592,242	\$ 345

Source: OJP Grants Management System (GMS) and ECU Accounting Records

The ECU official responsible for submitting Federal Financial Reports explained that the difference is due to the timing of indirect costs being allocated to the accounting records. Therefore, we will not take exception to the instances where individual reports were not accurate because the amounts were immaterial. However, as with our previous finding in the *Drawdowns* section of this report, the FFRs were based on ECU's accounting records and not actual expenditures, including those of the member institutions. As a result, we cannot determine the accuracy of any of the financial reports submitted. Therefore, we recommend that OVW ensure that ECU revises financial reports based on actual expenditures.

Program Reports

According to the *OJP Financial Guide*, Program Reports must be submitted within 30 days after the end of the reporting periods, which are June 30 and December 31, for the life of the award. We reviewed the last four Program Reports and determined that all four were submitted timely.

The *Financial Guide* also states the award recipient agrees to collect data appropriate for facilitating reporting requirements established by Public Law 103-62 for the Government Performance and Results Act. The recipient will ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. Therefore, in order to verify the information in Program Reports, we selected a sample of data from the last two reports submitted and traced it to supporting documentation maintained by ECU and member institution officials.

Overall, some of the supporting documentation provided was insufficient. We could not confirm all of the data reported in the Program Reports. According to the Program Director, member institutions are expected to track the data for Program Reports on an ongoing basis for their respective campuses. She stated that at the end of the reporting period, she provides the member institutions with a report form to input their program data and she compiles the information into one Program Report that is submitted to OVW. However, the Program Director stated that many of the numbers provided for the reports were estimated based on the training being mandatory for students. In some instances, only a class roster was provided as evidence for the number of students that attended mandatory training sessions. However, there is not enough evidence to confirm whether the students listed on the roster actually attended the training sessions. We also noted another form of supporting documentation for Program Report data was in the form of an e-mail to the Program Director stating which training was provided and the estimated number of attendees. In addition, the Program Director stated that some of the coordinators at the member institutions were unsure which categories to report some of the training events they held. Therefore, we recommend that ECU and all member institutions maintain more detailed records in order to provide accurate reporting for the program.

Program Performance and Accomplishments

As mentioned previously, the program is designed to enhance victim services, implement prevention and education programs, and develop and strengthen security and investigation strategies in order to prevent and respond to domestic violence, dating violence, sexual assault, and stalking on campuses. Also, the objectives of the grant awarded to ECU and the member institutions were to:

- create multi-disciplinary community education response teams on each campus;
- develop and establish a mandatory prevention and educational program about violence against women for all incoming, continuing, and transfer students;
- develop and implement an annual training program for all campus police from the six Regional University System of Oklahoma, Violence Prevention Project (RUSO-VPP) institutions in collaboration with the Oklahoma Coalition Against Domestic Violence and Sexual Assault, the Council on Law Enforcement Education and Training, and Oklahoma's Peace Officers Standards and Training Agency;
- implement training on each campus for disciplinary board members;
- develop and conduct campus and community educational and promotional events on violence against women's issues;
- strengthen and improve referral services between campus and community services in Ada, Alva, Durant, Edmond, Tahlequah, and Weatherford, Oklahoma; and
- expand and improve data collection to measure the outcome of the RUSO-VPP.

We determined that the objectives of this grant were qualitative in nature. The main purpose of this grant was aimed at helping the five member institutions start the program at their campuses. The majority of the goals listed above involve prevention, education, and training for faculty and other staff, students, and law enforcement for domestic violence, dating violence, sexual assault, and stalking on campuses. Although we could not verify the data in the Program

Reports, based on our review of program and financial records in addition to interviewing responsible officials, we concluded that each of the member institutions implemented the program at their campuses. In addition, we determined that the member institutions established partnerships with other agencies in the community.

According to information reviewed during our Program Report testing and interviews with ECU officials and community partners, we determined that there is no indication that the program has not been on track to complete the goals and objectives of the grant.

Recommendations

We recommend that the OVW:

1. Ensure ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred.
2. Ensure that all funds drawn down and advanced to the member institutions have been spent by the end of the project period.
3. Remedy the \$18,742 in interest earned on these grant funds.
4. Ensure ECU revises financial reports based on actual expenditures.
5. Ensure ECU and all member institutions maintain more detailed records in order to provide accurate reporting of program performance.

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether costs claimed under the grant were allowable, reasonable, and complied with applicable laws, regulations, guidelines and terms and conditions. The objective of our audit was to assess risks and review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) grant expenditures, including personnel and indirect costs; (4) budget management and control; (5) matching; (6) property management; (7) program income; (8) financial and progress reports; (9) grant requirements; (10) program performance and accomplishments; and (11) monitoring of subgrantees and contractors. We determined that matching costs, property management, program income, and monitoring of subgrantees and contractors were not applicable to this grant. As shown in Exhibit 1, East Central University was awarded a total of \$1,699,999 to implement the grant.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit concentrated on, but was not limited to, the award of the grant on August 28, 2007, through November 30, 2011. This was an audit of the Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking On Campus Program, Grant No. 2007-WA-AX-0004. ECU had a total of \$1,578,814 in drawdowns through October 12, 2011.

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 two areas, which were grant expenditures and indirect cost expenditures. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed, such as dollar amounts or expenditure category. We identified samples

including 109 grant expenditures and 10 indirect cost expenditures. This non-statistical sample design does not allow projection of the test results to the universes from which the samples were selected.

In addition, we reviewed drawdowns, evaluated the timeliness and accuracy of FFRs and Progress Reports, and evaluated performance to grant objectives; however, we did not test the reliability of the financial management system as a whole.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS

INTEREST EARNED	AMOUNT	PAGE
Southwestern Oklahoma State University	\$ 9,442	8
Northwestern Oklahoma State University	9,300	8
TOTAL DOLLAR-RELATED FINDINGS	\$ 18,742	

**EAST CENTRAL UNIVERSITY
RESPONSE TO THE DRAFT REPORT**



1100 E. 14th Street, PMB G-8 ~ Ada, OK 74820-6999
(580) 559-5539 ~ (580) 332-3790 FAX

Office of Administration and Finance

Mr. David M. Shereen
U.S. Department of Justice
Office of the Inspector General
Denver Regional Audit Office
1120 Lincoln, Suite 1500
Denver, Colorado 80203

RE: East Central University RUSO-VPP Flagship Grant (OVW) Response to OIG Audit Findings and Recommendations

Dear Mr. Shereen:

Below are East Central University's responses to OIG's audit findings and recommendations. These responses are categorized according to the location (page number(s)) of the findings in the Draft Audit Report received April 27, 2012 with excerpts from the report in bold and ECU responses in normal text.

Sincerely,

Jessica Boles, CPA, CFE
Vice President for Administration and Finance

Page 7 – Drawdowns:

Drawdowns were not based on actual expenditures (including member institutions). According to the OJP Financial Guide, award recipient organizations should request funds based upon immediate disbursement/reimbursement requirements. Recipients should time their drawdown requests to ensure that federal cash on hand is the minimum needed for reimbursements to be made immediately, or within 10 days. Of the \$1,258,810 advanced to the 5 member institutions for personnel, fringe, travel, supplies, and other, \$307,120 remained unspent as of Nov. 2011.

When the OVW Flagship grant was awarded ECU was asked by OVW to implement the grant quickly and smoothly. As the flagship grants were considered a sort of pilot program, never been done before, they didn't fit well in any grant or cooperative agreement category. After discussion between ECU's Vice President of Administration and Finance, and other Administrators (Presidents, Vice Presidents of Student Development, and Vice Presidents of

Oklahoma's Premier Student-Centered Regional University

Administration and Finance) on the other campuses within the system, it seemed the best way to handle the funding was to initially fund each member institution their monies that were allocated in the budget. Because university budgets are prepared a year in advance, there was no room in any of the institutions budgets to suddenly open a program office on campus and hire a totally new position. Many of the institutions would likely have not participated in the grant had they been asked to financially front the program, office, and position, and most if not all of them had and continue to have insufficient institutional funds to do so. Higher education in Oklahoma has seen continual cuts in State funding over the last five years, fostering an environment of great unease among institutions in implementing any new program, especially requiring a totally new full-time position, without funding in hand. In hindsight, treating member institutions as sub-recipients might have been better, but three weeks to pull all six universities together in agreement and submit the application with memorandums of understanding, was not conducive to doing so.

All expenditures of grant funds were accounted for and processed through the Office of State Finance, and the controller of each institution required the same documentation and justification as their other funds, in fact even more. Expenditures were monitored by ECU, and if there was ever a question of allowable cost, OVW or OJP was contacted. All expenditures were well-documented and allowable. At various times throughout the grant period, different universities asked questions regarding their budgets and when the program director requested information and documentation, sent their accounting spreadsheets to ECU for review. Additionally, prior to IDC allocations and continuation funding being dispersed, all member institutions were required to submit a full accounting of their grant expenditures, along with a statement regarding the exhaustion of funds. Each institution agreed to continue the program, even through a no-cost extension of the grant, until all grant funding is exhausted.

Regarding the unspent funds as of November 2011, already approximately \$130,000 of that has been depleted, which is on track for total exhaustion by the end of 2012, if not sooner for at least two of the member institutions. All funds will be exhausted by each university. In fact, ECU required that the universities sign statements that they will exhaust all grant funds, and ECU informed them all that we will request a no-cost extension at least through December 2012 in order to do so. ECU and the member institutions will continue to keep an accurate and thorough accounting of all expenditures, until all funds are exhausted.

ECU will work to revise their policy regarding DOJ grant awards. This policy will include the drawdown of funds based on expenditures only. If additional institutions require funding in advance, they will be treated as a sub-recipient, subject to ECU monitoring as well as financial and program progress reporting to DOJ.

Page 8 – Drawdowns: (Exhibit 3 Interest Income Earned)

As a result of the excess funds sitting in bank accounts, we found that two of the institutions have earned a combined \$18,742 in interest income on the federal funds they were advanced (\$9,442 for SWOSU and \$9,300 for NWOSU). The *OJP Financial Guide* states that Institutions of Higher Education return any interest income earned to the U.S. Department of Health and Human Services.

ECU was unaware of this occurrence. Our own 430 account at OSF, and most other 430 accounts at OSF, are non-interest-earning accounts. It was assumed that because the funds were in a 430 account, they were in the same account type as the other 4 institutions. ECU has already discussed this with the two member institutions and the interest earned will be returned to OVW.

Page 12 – Reports: (Exhibit 7: Federal Financial Report Accuracy)

We found that two of the four financial reports were inaccurate. For the financial reports ending December 31, 2010 and March 30, 2011, there was total difference of \$345. ECU officials explained that the difference is due to the timing of indirect costs being allocated to the accounting records. Therefore, we will not take exception to the instances where individual reports were not accurate because the amounts were immaterial. However, as with our previous finding in the *Drawdowns* section of this report, the FFRs were based on ECU’s accounting records and not actual expenditures, including those of the member institutions. As a result, we cannot determine the accuracy of any of the financial reports submitted.

See response above in drawdowns section. ECU’s financial reports are accurate, according to how the payments to institutions were handled. All member institution accounting documents were provided to OIG, and all samples were well-documented, allowable, and justifiable. The documents can be provided to OVW or the issue otherwise remedied as deemed appropriate by OVW.

Pages 12 and 14 - Reports:

**“Additionally, we could not confirm all the data submitted in the Program Reports.”
“Overall, some of the supporting documentation provided was insufficient. We could not confirm all of the data report in the Program Reports. According to the Program Director, . . . many of the numbers provided for the reports were estimated based on the training being mandatory for students. In some instances, only a class roster was provided as evidence for the number of students that attended mandatory training sessions. However, there is not enough evidence to confirm whether the students listed on the roster actually attended the training sessions. We also noted another form of supporting documentation for Program Report data was in the form of an e-mail to the Program Director stating which training was provided and the estimated number of attendees. Some of the coordinators at the member institutions were unsure which categories to report some of the training events they held.”**

Most data in the RUSO-VPP program reports is based on actual class rosters, sign-in sheets, and head counts, and is very accurate, while there are some categories that include events with attendees that are not as easily counted. Services to Victims, a very important part of the RUSO-VPP program and one of its main objectives, was reported in perfect accuracy, well-documented, and valid. Information regarding incoming students was also reported accurately and well-documented as were most events at the member institutions.

OVW is aware that one institution does not require mandatory orientation, and that capturing all the incoming students for education is a challenge. OVW is also well-aware that all the universities have some difficulty in capturing 100% due to absences/no-shows to the mandatory classes. Most of the universities have a follow-up policy for that, and they depend on the instructor of the specific class to identify those absent that day. A class roster is used to do this, just like an instructor uses a roster. When absent students are identified, they are contacted, provided educational materials in the next class they attend, or are required to view the session online or on video. Rosters are frequently used on campuses, obviously in almost every course, as a record of attendance. This is no different for our education sessions in those courses. Other education is done via online methods and is sent out to all incoming students, or the entire student population that semester. To handle these events in any other way (i.e. require signatures by a roster, etc) is detrimental to attendance, enthusiasm of students, participation, and to the grant program itself, because 1) these programs are run by 1-person, who is usually the speaker/trainer; 2) it would take at least an hour before each event to just get people through the door; 3) this would turn students and attendees off and they would not want to go back to another event; 4) it makes it more of a closed forum when we usually want these to be open to as many attendees as possible; and 5) as a whole, this is the opposite of what we are trying to do, which is to educate, train, and provide awareness to as many people as possible.

To say that some of the documentation was insufficient seems somewhat subjective. RUSO-VPP stands by our methods of estimating numbers for events that are not mandatory, registered, or enrolled. If you have an awareness or educational event in a location with 500 chairs set up and you have numerous attendees standing, with few or no seats vacant, an educated, conservative, and fairly accurate estimate is that 500 people attended. If you are at a community event that serves free hotdogs (i.e. national night out or other campus/community event), and there are 500 hotdogs, an educated and conservative estimate is 400 or so (assuming some will eat two hotdogs). If you are at a football game that is ticketed, you can assume with fairly good accuracy, the tickets/entries are pretty accurate, although conservative, because look at the players, cheerleaders, student groups, etc., that don't require a ticket. If you are at an event and someone tries to get a headcount, this is difficult, but can get you to a fairly good estimate. If you see administrators and community officials there, they are usually pointed out and welcomed, and we know how many are there, which is recorded. If we have an awareness event in the University Center with lots of foot traffic, we always try to get a sign in sheet and have people sign in, but students don't like to sign their names on things like this, so we try to count or mark as we see people coming to our tables or viewing our materials, displays, etc.

In my experience as a former coordinator, and now as a Director and team member attending these events, our estimates are very conservative. It is obvious that all the coordinators are conscientious and diligent in their reporting. They are able to provide numbers of administrators, athletes, law enforcement, student groups, Greeks, community members, etc. for each event. This indicates they are very aware and make a concentrated effort to provide accurate totals and breakdowns of people attending. To say that they are just estimates implies that these events are immaterial and that we have simply thrown numbers on a report, which is absolutely not the case.

Lastly, the report for the Flagships is the same report used for campus programs, and there is no avenue to separate each member's data in that report form. This is a somewhat flawed process, therefore, the RUSO-VPP director required each member to submit to ECU their own report to have on file. Yes, the aggregate report is not a perfect portrait of each member's activities, but it is the best we have, because it is the form we are required to use. Yes, some activities are somewhat informal and are not the type of event that we can gain signatures of attendees, resulting in minimal documentation, but they are still events and are still reportable. There are also many instances of awareness events that we cannot event track, because they are monthly campaigns with posters, emails, etc. Many of our objectives have qualitative results, not easily measured. We know we reach people because our contacts and visits increase, but we cannot track these events. Some events blur the lines between education and training, often consisting of both. This makes it a judgment call by the coordinator whether to report it as training or education or to divide it. Again, this makes it difficult to report, especially on an aggregate report. And, often members will put a statement in their narrative about it.

ECU and RUSO-VPP is continually striving toward more accurate, yet still efficient, counting and measurements. Possible solutions and remedies for this issue to require coordinator to complete a basic event form from now on, outlining the event and reporting the attendance, including how it was measured, and maybe some qualitative data such as quotes, visits resulting from the event, etc. These could be outlined in report narrative and provided as attachments if OVW requests them. ECU will remedy this solution as agreed upon by OVW and Grant Staff.

OFFICE ON VIOLENCE AGAINST WOMEN
RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice


Office on Violence Against Women


Washington, D.C. 20530

June 19, 2012

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Bea Hanson 
Acting Director
Office on Violence Against Women

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

SUBJECT: Audit of the Office on Violence Against Women Grant to Reduce
Domestic Violence, Dating Violence, Sexual Assault, and Stalking on
Campus Program Awarded to East Central University in Ada, Oklahoma
(ECU)

This memorandum is in response to your correspondence dated April 27, 2012 transmitting the above draft audit report for ECU. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains five recommendations and \$18,742 in unallowable interest earned on these grant funds. The Office on Violence Against Women (OVW) is committed to working with the grantee to address each item and bring them to a close as quickly as possible. The following is an analysis of the audit recommendations:

- 1) **Ensure that the ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred.**

After review of the OIG Report referenced above and the response submitted by the ECU, OVW will coordinate with the grantee to obtain the necessary supporting documentation to ensure that the ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred.

- 2) Ensure that all funds drawn down and advanced to the member institutions have been spent by the end of the project period.**

After review of the OIG Report referenced above and the response submitted by the ECU, OVW will coordinate with the grantee to ensure that all funds drawn down and advanced to the member institutions have been spent by the end of the project period.

- 3) Remedy the \$18,742 in interest earned on these grant funds.**

After review of the OIG Report referenced above and the response submitted by the ECU, OVW will coordinate with the grantee to obtain the necessary supporting documentation to remedy the \$18,742 in interest earned on these grant funds.

- 4) Ensure ECU revises financial reports based on actual expenditures.**

After review of the OIG Report referenced above and the response submitted by the ECU, OVW will coordinate with the grantee to obtain the necessary supporting documentation to ensure that ECU revises financial reports based on actual expenditures.

- 5) Ensure ECU and all member institutions maintain more detailed records in order to provide accurate reporting of program performance.**

After review of the OIG Report referenced above and the response submitted by the ECU, OVW will coordinate with the grantee to obtain the necessary supporting documentation to ensure that the ECU implements procedures to effectively provide oversight to its contractors.

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

cc: Louise M. Duhamel
Acting Assistance Director
Audit Liaison Group
Justice Management Division

Angela Wood
Budget Officer
Office on Violence Against Women

Latinisha Lewis
Program Specialist
Office on Violence Against Women

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

The OIG provided a draft of this audit report to OVW. The OVW's response is incorporated in Appendix IV of this final report. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation Number

1. **Resolved.** OVW concurred with our recommendation to ensure ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred. OVW stated in its response that it will coordinate with ECU to obtain the necessary supporting documentation to ensure that the ECU revise its policy of advancing award funds to member institutions and base disbursements on actual expenses incurred.

This recommendation can be closed when ECU provides the OIG with a copy of its newly implemented policy of basing drawdown of funds on expenditures only.

2. **Resolved.** OVW concurred with our recommendation to ensure that all funds drawn down and advanced to member institutions be spent by the end of the project period. OVW stated in its response that it will coordinate with ECU to ensure that all funds drawn down and advanced to member institutions have been spent by the end of the project period.

This recommendation can be closed when ECU provides the OIG with documentation that all funds have been expended.

3. **Resolved.** OVW concurred with our recommendation to remedy the \$18,742 in interest earned on grant funds. OVW stated in its response that it will coordinate with ECU to obtain the necessary supporting documentation to remedy the \$18,742 in interest earned on these grant funds.

This recommendation can be closed when ECU provides the OIG with documentation that the funds have been returned.

4. **Resolved.** OVW concurred with our recommendation to ensure ECU revises financial reports based on actual expenditures. OVW stated in its response that it will coordinate with ECU to provide the necessary supporting documentation to ensure that ECU revises financial reports based on actual expenditures.

ECU stated in its response that its financial reports were accurate. Although member institution financial records and supporting documentation were provided to the OIG, we found that the advanced funds were not spent timely. Over \$300,000 advanced to member institutions remained unspent at the time of our audit. In addition, financial reports to OVW were only based on ECU's financial records of advancing funds to the member institutions. However, financial reports must reflect actual expenses rather than funds advanced to member institutions.

This recommendation can be closed when ECU provides the OIG with appropriate documentation that it has revised the financial reports to be based on actual expenditures.

5. **Resolved.** OVW concurred with our recommendation to ensure ECU and all member institutions maintain more detailed records in order to provide accurate reporting of program performance. OVW stated in its response that it will coordinate with ECU to obtain the necessary supporting documentation to ensure that ECU implements procedures to effectively provide oversight to its contractors.

ECU stated in its response that the OIG seemed somewhat subjective in its analysis and testing of the program reports. In addition ECU stated that its program reports were, in fact, accurate. However, ECU also acknowledges it has estimated attendance for program events. During our analysis and testing of supporting documentation for program reports, we were not provided with all of the documents to support some of the numbers reported. The OIG must base its conclusions on the evidence provided and not verbal and e-mail estimates of attendees provided by the member institutions. It is imperative that member institutions document and maintain more detailed and accurate records for program reports.

This recommendation can be closed when ECU provides the OIG with a copy of the new form that captures all pertinent information from grant-funded events.