



**AUDIT OF THE OFFICE ON VIOLENCE  
AGAINST WOMEN GRANTS AWARDED TO  
CITIZENS AGAINST PHYSICAL AND SEXUAL  
ABUSE, LOGAN, UTAH**

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

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# AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, LOGAN, UTAH

## EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of three grants totaling \$2,261,837 awarded by the Office on Violence Against Women (OVW) to Citizens Against Physical and Sexual Abuse (CAPSA), as shown in Exhibit 1.

### EXHIBIT 1: OVW GRANTS AWARDED TO CAPSA

AWARD No.	AWARD DATE	PROJECT END DATE	AMOUNT
2005-WH-AX-0038	09/12/05	09/30/12	\$ 667,782
2007-FW-AX-K003	09/11/07	09/30/13	1,249,824
2009-EH-S6-0047	09/17/09	06/30/13	344,231
<b>TOTAL:</b>			<b>\$2,261,837</b>

Source: OJP's Grant Management System

Grant No. 2005-WH-AX-0038 was awarded under the Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault Program. The purpose of the grant was to increase survivors' ability to obtain safe affordable housing and increase self-sufficiency. Grant No. 2007-FW-AX-K003 was awarded under Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities Grant Program (Disability Grant Program). The purpose of the grant was to develop a collaboration of partnering agencies to enhance services for survivors with mental health and intellectual disabilities. Grant No. 2009-EH-S6-0047 was awarded under the Recovery Act Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault. The purpose of the grant was to increase survivors' ability to obtain safe affordable housing and to develop individualized plans for self-sufficiency, including financial counseling.

### Our Audit Approach

The objectives of this audit are to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant-related transactions, including personnel costs, (4) budget management and control, (5) financial and progress reports, (6) award requirements, (7) monitoring of sub-recipients, (8) property management, and (9) program performance and accomplishments. We determined that indirect costs, program income, and

matching were not applicable to these awards. We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in this report, the criteria we audit against are contained in the *Office of Justice Programs (OJP) Financial Guide*, the *2012 OVW Financial Grants Management Guide* where applicable, and the award documentation.

We examined CAPSA's accounting records, financial and progress reports, and operating policies and procedures, and found:

- \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets for all three grants,
- \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets for Grant Nos. 2005-WH-AX-0038 and 2007-FW-AX-K003,
- \$490 unallowable costs used to purchase prohibited items for all three grants,
- \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets for Grant Nos. 2005-WH-AX-0038 and 2007-FW-AX-K003,
- \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants for Grant Nos. 2005-WH-AX-0038 and 2009-EH-S6-0047,
- CAPSA did not consistently obtain supervisor approval on timesheets, and
- CAPSA reported financial information in both Federal Financial Reports (FFR) and Recovery Act reports that did not match the organization's accounting records.

This report contains seven findings and recommendations, which are detailed in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology are discussed in Appendix I.

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# **AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, LOGAN, UTAH**

## **INTRODUCTION**

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of three grants totaling \$2,261,837 awarded by the Office on Violence Against Women (OVW) to Citizens Against Physical and Sexual Abuse (CAPSA), as shown in Exhibit 1.<sup>1</sup>

### **EXHIBIT 1: OVW GRANTS AWARDED TO CAPSA**

<b>AWARD No.</b>	<b>AWARD DATE</b>	<b>PROJECT END DATE</b>	<b>AMOUNT</b>
2005-WH-AX-0038	09/12/05	09/30/12	\$ 667,782
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2009-EH-S6-0047	09/17/09	06/30/13	344,231
<b>TOTAL:</b>			<b>\$2,261,837</b>

Source: OJP's Grant Management System

Grant No. 2005-WH-AX-0038 was awarded under the Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault Program. The purpose of the grant was to increase survivors' ability to obtain safe affordable housing and increase self-sufficiency, with a specific focus on survivors with disabilities, survivors living in rural jurisdictions, and immigrants. Budgeted items included partial funding for CAPSA personnel and subsidized housing and support services for survivors and their families.

Grant No. 2007-FW-AX-K003 was awarded under Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities Grant Program (Disability Grant Program). The purpose of the grant was to develop a collaboration of partnering agencies to enhance services for survivors with mental health and intellectual disabilities. Budgeted items included partial funding for CAPSA personnel; and salaries, supplies, and travel for collaborating agencies.

Grant No. 2009-EH-S6-0047 was awarded under the Recovery Act Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault. The purpose of the grant was to increase survivors' ability to obtain safe affordable housing and to develop individualized plans for self-sufficiency, including financial counseling. This grant also focused on survivors with disabilities, survivors living in rural jurisdictions, and immigrants. Budgeted items included partial funding for

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<sup>1</sup> CAPSA also refers to itself as Community Abuse Prevention Services Agency.

CAPSA personnel, financial counseling, and subsidized housing and support services for survivors and their families.

## **Background**

Created in 1995, the 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. The OVW's stated mission is to provide federal leadership in developing the nation's capacity to reduce violence against women, and administer justice for and strengthen services to victims. Currently, the OVW administers 3 formula-based and 18 discretionary grant programs, established under the Violence Against Women Act (VAWA) and subsequent legislation. The OVW's discretionary grant programs work to support victims and hold perpetrators accountable through promoting a coordinated community response. Funding is provided to local, state, and tribal governments; courts; non-profit-organizations; community-based organizations; secondary schools; institutions of higher education; and state and tribal coalitions.

The Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today Act of 2003 authorized a new program for transitional housing assistance grants for victims of domestic violence and their children. The OVW Transitional Housing Assistance Program focuses on a holistic, victim-centered approach to provide transitional housing services that move individuals into permanent housing. Grants made under this grant program support programs that provide assistance to victims of domestic violence, dating violence, sexual assault, and stalking who are in need of transitional housing, short-term housing assistance, and related support services. The Recovery Act Transitional Housing Assistance Program is an identical program. It is funded through the American Recovery and Reinvestment Act (Recovery Act) of 2009, P.L.111-5 with the express purpose to preserve and create jobs and promote economic recovery.

Congress authorized the Disability Grant Program in the Violence Against Women and the Department of Justice Reauthorization Act of 2005 in recognition of the pressing need to focus on sexual assault, domestic violence, dating violence, and stalking against women with disabilities and deaf women. Disability Grant Program funds will be used to establish and strengthen multidisciplinary collaborative relationships; increase organizational capacity to provide safe, accessible, and responsive services to women with disabilities and deaf women who are victims of violence and abuse; identify needs within the grantee's service area; and develop a plan to address those identified needs that builds a strong foundation for future work.

CAPSA is a non-profit organization. The mission of CAPSA is to provide safe, caring, and confidential shelter, advocacy, and support for victims of domestic violence and sexual assault; and to reduce incidents of abuse through prevention education. Specifically, CAPSA provides domestic violence services, sexual assault services, shelter services, transitional housing services, support and children's groups, and prevention education. CAPSA serves rural, northern Utah in Cache and Rich counties. CAPSA reported that Cache County is 1,174 square miles and the population is 112,656. Rich County is 1,086 square miles and the population is 2,264. CAPSA reported that approximately 12 percent of those living in Cache and Rich County are living with a disability. In Cache County, 13 percent of the population lives under the poverty level and 10 percent of the population is Hispanic or Latino.<sup>2</sup>

## **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 (OJP) Financial Guide*, the *2012 OVW Financial Grants Management Guide* where applicable, and the award documentation.<sup>3</sup> We tested CAPSA's:

- **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 grant;
- **grant drawdowns** to determine whether grant drawdowns were adequately supported and if CAPSA was managing grant receipts in accordance with federal requirements;
- **grant expenditures** to determine the accuracy and allowability of costs charged to the grant;
- **budget management and control** to determine CAPSA's compliance with the costs approved in the grant budget;
- **Federal Financial Reports (FFR) and progress reports** to determine if the required reports were submitted in a timely manner and accurately reflect grant activity, including additional requirements specific to the Recovery Act; and

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<sup>2</sup> Statements regarding the mission and intent of the OVW and CAPSA are from the applicable agency's literature (unaudited).

<sup>3</sup> In February 2012, the OVW issued the *2012 OVW Financial Grants Management Guide*. The criteria applied to Grant No. 2007-FW-AX-K003 beginning February 2012.

- **grant objectives and accomplishments** to determine whether CAPSA was capable of meeting the grant objectives.

The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

## **FINDINGS AND RECOMMENDATIONS**

We found that CAPSA used grant funds to purchase items that were unallowable, including instances when purchased items were not included as part of the approved grant budgets, the actual rates charged exceeded the approved rates, and purchased items were prohibited. We found that CAPSA paid salary and fringe benefits that were not allowable, including instances when staff positions were not included as part of the approved grant budgets and salary expenditures charged to the grants exceeded an appropriate cost allocation. We also found that CAPSA did not always obtain management approval on timesheets. Finally, we found that CAPSA reported financial information that did not match the organization's accounting records in both FFRs and Recovery Act reports. As a result, we identified questioned costs totaling \$27,907 and two management improvements.

### **Internal Control Environment**

We reviewed CAPSA's Single Audit Report and financial management system to assess the organization's risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants. We also interviewed management and key personnel, and we observed accounting activities to further assess risk.

#### *Single Audit*

According to Office of Management and Budget (OMB) Circular A-133, an entity expending more than \$500,000 in federal funds in a year is required to perform a Single Audit annually. In fiscal year (FY) 2011, CAPSA expended federal funds totaling \$640,539, meaning CAPSA was required to perform a Single Audit. The FY 2011 Single Audit Report included one audit finding.

The accompanying *Financial Statements with Independent Auditor's Report* for FY 2011 included one significant deficiency related to the financial statements, which was also included in the FY 2010 Single Audit. The finding related to adjustments to fixed assets and accounts payable that were not identified or booked by management. We determined that the finding was not crosscutting to federal awards within our scope.

#### *Financial Management System*

We reviewed CAPSA's financial management system and interviewed CAPSA officials. Internal control procedures for procurement and payment

included obtaining proper approval prior to acquiring goods and disbursing funds. Internal control procedures for payroll included tracking actual activities for which the employees were compensated and requiring a supervisor to approve timesheets. Internal control procedures for monitoring sub-recipients included signed written agreements, tracking performance through the submission of activity reports, and requiring that reimbursement requests be accompanied by supporting documentation.

We determined CAPSA's internal control procedures for receiving were not adequate. We found that there were no written policies and procedures for receiving and there was no formal documentation to confirm receipt. CAPSA officials indicated that they made a mental note of items received and returned the purchase order, along with the product, to the requesting party. There were not sufficient controls to ensure that the items ordered and billed matched those received. CAPSA responded to this issue by revising the receiving policy. The new policy stipulates that upon receipt of a purchased good, the recipient completes a receiving dock report. The report includes the number of items and the condition of items received. The dock report is attached to the purchase order and the invoice. We determined the updated policy is sufficient; as a result, we offer no recommendation related to this issue.

## Drawdowns

CAPSA officials stated that drawdowns were requested on a reimbursement basis for past expenditures and the requests were usually monthly. According to the *OJP Financial Guide*, the grant recipient should time draw down requests to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. We analyzed the three grants in our audit to determine if the total expenditures recorded in CAPSA's accounting records were equal to, or in excess of, the cumulative drawdowns, as shown in Exhibit 2.

### EXHIBIT 2: ANALYSIS OF DRAWDOWNS<sup>4</sup>

GRANT NUMBER	TOTAL AMOUNT DRAWN	TOTAL AMOUNT EXPENDED <sup>5</sup>	DIFFERENCE
2005-WH-AX-0038	\$645,015	\$644,894	\$ 121
2007-FW-AX-K003	745,985	748,841	(2,856)
2009-EH-S6-0047	215,341	218,983	(3,642)

Source: OVW drawdown records and CAPSA accounting records

<sup>4</sup> Throughout this report differences in the total amounts are due to rounding.

<sup>5</sup> The total amount expended includes expenditures recorded in CAPSA's accounting records ten days after the most recent drawdown date, because cash must be disbursed immediately or within ten days.

For Grant Nos. 2007-FW-AX-K003 and 2009-EH-S6-0047, total expenditures exceeded cumulative drawdowns, meaning CAPSA complied with the minimum cash-on-hand criteria. For Grant No. 2005-WH-AX-0038, cumulative drawdowns exceeded total expenditures by \$121. CAPSA held the excess funds on hand for 10 more days than allowed, at which time CAPSA made additional grant disbursements. We determined holding an extra \$121 on hand for 10 days resulted in approximately \$0.01 in earned interest. We do not consider the excess cash-on-hand or the related interest material amounts and therefore, we make no recommendation related to drawdowns.

CAPSA revealed that the same information is used to create both drawdowns and Federal Financial Reports (FFR). Consequently, the discrepancy noted above was caused by CAPSA overstating the grants' period expenditures, as the result of including expenditures not included in the grants' official accounting records for reporting purposes. This issue is discussed in detail the *Grant Reporting* Section of this report, as it resulted in an audit finding related to FFRs.

## **Grant Expenditures**

We reviewed policies and procedures and conducted sample testing of transactions to determine if grant expenditures were allowable, reasonable, and in compliance with the terms and conditions of the award.

For Grant No. 2005-WH-AX-0038, we selected 60 of the 5,046 direct cost transactions (one percent) totaling \$34,522 for review. For Grant No. 2007-FW-AX-K003, we selected 59 of the 3,947 direct cost transactions (one percent) totaling \$117,283 for review. For Grant No. 2009-EH-S6-0047, we selected 37 of the 1,899 direct cost transactions (two percent) totaling \$48,156 for review.

For Grant No. 2007-FW-AX-K003, we identified two instances where adjusting entries were used to (1) split an expense across two periods and (2) update the accounts payable balance. These entries resulted in the reclassification of expenditures that were already charged to the grant. As a result, the grant was double charged in the amount of \$7,417. We brought this issue to CAPSA's attention. CAPSA reversed the double entries and the records no longer reflect the error.

### *Items Not Included in the Approved Grant Budgets*

According to the *OJP Financial Guide*, grantees are required to initiate a Grant Adjustment Notice (GAN) for changes in scope that affect the budget. There were a number of items purchased for all three grants that were not included as part of the approved grant budgets. CAPSA officials stated that they believed a number of these items fit within the scope of the

grants. However, we did not see evidence that CAPSA contacted the OVW, either formally through a GAN or informally through other means, to confirm that purchasing the items did not constitute a change in scope.<sup>6</sup> Without the OVW's approval, we were not able to make a determination regarding whether the items were within the scope of the grants. Therefore, we consider the costs unallowable.

For Grant No. 2005-WH-AX-0038, one of the support group expenditures in our sample was for a meal. CAPSA officials stated that they believed the meals fit under support group supplies. They went on to say that women attending the groups are often single, working, and have children. Providing meals for the women and children encourages workgroup attendance and alleviates worry about when the family will eat. However, we did not see meals included as part of the approved grant budgets, in the supplies category or otherwise. We expanded our analysis to include all grant expenditures that we were able to identify as paying for support group meals for a total of 11 transactions totaling \$553.

For Grant No. 2009-EH-S6-0047, we also identified support group meals not included as part of the grant budget totaling \$264. This included a total of five transactions, one from our sample and four from our expanded analysis. Additionally, the approved grant budget for Grant No. 2009-EH-S6-0047 indicated that the financial counselor, a grant sub-recipient responsible for providing individual financial counseling to program clients, was allocated funding for supplies. A portion of one of the financial counseling supplies expenditures was for meals with clients totaling \$133. Like support group meals, meals supplied by financial counselors were not identified in the approved grant budget. As a result, we question \$949, the total cost of unapproved meals, as unallowable.

For Grant No. 2007-FW-AX-K003, we identified a workgroup supplies expenditure for jackets totaling \$1,275. We expanded our analysis and identified an additional workgroup supplies expenditure for water bottles totaling \$332. The jackets and water bottles were distributed to CAPSA's staff and the participating agencies' staff at an end project celebration, which CAPSA officials stated was an event encouraged by the OVW. We also identified an expenditure for staff shirts totaling \$69. Jackets, water bottles, and shirts were not identified in the approved grant budgets. As a result, we question \$1,676, the total cost of items distributed to staff, as unallowable.

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<sup>6</sup> CAPSA charged \$17,557 in expenditures for repair and maintenance, utilities, and liability insurance for Independence Place units, CAPSA's on-site transitional housing to Grant No. 2005-WH-AX-0038. These items were not included in the approved grant budgets. However, the OVW informed CAPSA that a GAN was not required for these costs. Instead, the OVW provided informal approval through e-mail.

For Grant No. 2009-EH-S6-0047, we identified an expenditure totaling \$1,218 for blinds for the Independence Place units, CAPSA's on-site transitional housing. We also identified that an expenditure totaling \$976 was for warranties for appliances purchased for the transitional housing units. CAPSA officials stated that blinds are critical to client safety and assessing client safety was part of the grant requirements. They also stated that they were able to obtain the appliances at a reduced cost and had funds available for the warranty purchase. However, blinds and appliance warranties were not identified in the approved grant budget. As a result, we question \$2,194 as unallowable.

For Grant No. 2009-EH-S6-0047, the approved grant budget indicated that the financial counselor was allocated funding to obtain a housing counselor certification from a specific provider, including travel costs. We identified two expenditures for travel and training costs that did not relate to the listed provider. CAPSA officials stated that the financial counselors attended alternative but similar trainings when the specific provider was not available. This provided assurance that each counselor had the appropriate training and provided the most effective service. However, one sub-recipient expenditure in our sample included travel and training costs related to the listed provider, as well as travel and training costs related to an unlisted provider. In addition, we did not see alternative providers included as part of the approved grant budgets. We expanded our analysis to include all grant expenditures that we were able to identify as paying for unapproved training and related travel for a total of three transactions. As a result, we question \$4,222 as unallowable.

In total we identified \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets.

## *Excess Rates*

For Grant No. 2005-WH-AX-0038, the mileage rate in the approved grant budget was \$0.44 per mile. We identified a travel expenditure in our sample where the mileage reimbursement exceeded the approved mileage rate by \$93. According to the *OJP Financial Guide*, travel costs must be in accordance with federal policy or an organizationally approved travel policy. We consider the mileage rate in the approved budget to constitute the organizationally approved policy. It appears a clerical error led to the application of the incorrect rate. For Grant No. 2005-WH-AX-0038, we also identified two travel expenditures where the reimbursement exceeded the per diem rate on travel days by \$53. According to travel instructions for the OVW training, grantees should reimburse staff based on federal per diem guidelines. Federal guidelines stipulate that the first and last calendar day of travel is calculated at 75 percent. It appears the absence of specific language related to travel days in travel instructions for the OVW training led to the overcharge. As a result, we question \$146, the total excess travel reimbursements, as unallowable.

For Grant No. 2007-FW-AX-K003, CAPSA's approved grant budget included meals for partner meetings, workgroups, and trainings. The approved meal costs were based on a rate per person. The approved budget specifically identified the following rates: \$10 per partner for meetings, \$15 per participant for workgroups, and \$18 per attendee for trainings. We reviewed eight meal receipts as part of our sample. The partner meeting meal we reviewed was under the \$10 per person limit. The seven workgroup and training meals we reviewed exceeded the approved per person limit by \$1,410. It appears higher than approved meal charges per person and the addition of gratuity and service charges resulted in CAPSA incurring excess costs. According to the *OJP Financial Guide*, grantees are required to initiate a GAN for changes in scope that affect the budget. We did not see evidence that CAPSA contacted the OVW, either formally through a GAN or informally through other means, to confirm that exceeding the approved rates did not constitute a change in scope. Without the OVW's approval, we were not able to make a determination regarding whether the excess costs were within the scope of the grants. Therefore, we consider the costs unallowable. As a result we question \$1,410 as unallowable.

In total we identified \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets.

## *Prohibited Items*

For Grant No. 2009-EH-S6-0047, one of the transitional housing financial assistance expenditures in our sample was for a client's cable television bill. CAPSA officials stated that the charges may have been

included based on requirements from other funding sources, but can be excluded in the future. According to the *OJP Financial Guide*, entertainment is an unallowable cost. Television is entertainment; and therefore, we consider these costs unallowable. As a result, we expanded our analysis to include all grant expenditures that we were able to identify as paying, at least in part, for cable television. For Grant No. 2009-EH-S6-0047, we identified a total of three transactions totaling \$149. For Grant No. 2005-WH-AX-0038, we identified three additional transactions totaling \$214. As a result, we question \$363, the total prohibited entertainment charges, as unallowable.

For Grant No. 2007-FW-AX-K003, CAPSA's approved grant budget included meals for partner meetings, workgroups, and trainings. The partner meeting meal we reviewed in the *Excess Rates* section above included a \$7 tip as part of the charge. According to the *OJP Financial Guide*, tips are an unallowable cost. We expanded our analysis and identified three transactions totaling \$120 for breakfast workgroups. According to the *OJP Financial Guide*, working breakfast are unallowable costs. As a result we question \$127, the total prohibited meal reimbursements, as unallowable.

In total we identified \$490 in unallowable costs used to purchase prohibited items.

### *Payroll*

A total of 42 transactions from our samples identified above were salary and fringe benefit expenditures. We identified a salary expenditure in our sample for an unapproved position. The Operations Director position was not included as part of the approved grant budget for Grant No. 2007-FW-AX-K003 until the supplement award was approved on September 16, 2011. However, a portion of the Operations Director's salary and fringe benefits were charged to Grant No. 2007-FW-AX-K003 between December 2007 and September 2011. CAPSA officials stated that the support duties for this grant were listed as "Secretary," but were split between the Administrative Assistant and Operations Director. According to the *OJP Financial Guide*, grantees are required to initiate a GAN for changes in scope, including making changes to staff responsible for implementation of the award. CAPSA did not file a GAN related to the addition of a second support duties position. Therefore, we consider the salary and fringe benefits costs charged to the grant prior to September 16, 2011 as unallowable. As a result, we question \$12,430, including \$11,215 in salaries and \$1,215 in fringe benefits as unallowable.

Similarly, the Program Director position was not included as part of the approved grant budget for Grant No. 2005-WH-AX-0038 until the

supplement award was approved on September 23, 2008. However, a portion of the Program Director's salary and fringe benefits were charged to Grant No. 2005-WH-AX-0038 between August 2007 and September 2008. CAPSA officials stated that they recall communicating with the OVW regarding the change, but were not able to find a record of the communication. According to the *OJP Financial Guide*, grantees are required to initiate a GAN for changes in scope, including making changes to staff responsible for implementation of the award. Whether or not CAPSA informally communicated with the OVW regarding the addition, CAPSA was required to file a GAN to add this position and no GAN was filed. Therefore, we consider the salary and fringe benefits costs charged to the grant prior to September 23, 2008 as unallowable. As a result, we question \$2,420, including \$2,239 in salaries and \$181 in fringe benefits as unallowable.

In total we identified \$14,850 in unallowable costs used for salaries and fringe benefits for staff that were not included as part of the approved grant budgets.

We identified two salary expenditures in our sample where the percentage of costs allocated to one of the three grants unreasonably exceeded the percentage of time spent working on the grants. We expanded our analysis to include payroll records for one employee for 23 additional periods for a total of 25 records. In total, we identified four instances where the percentage of costs allocated to the grants exceeded the percentage of time spent working on the grants, as shown in Exhibit 3.

**EXHIBIT 3: ALLOCATION OF SALARY COSTS**

<b>CHECK NO.</b>	<b>GRANT NUMBER TO WHICH THE SALARY WAS CHARGED</b>	<b>% OF SALARY CHARGED TO GRANT</b>	<b>% OF TIME WORKED ON GRANT</b>	<b>SALARY AMOUNT RELATED TO HOURS WORKED ON NON-GRANT ACTIVITIES THAT WERE CHARGED TO THE GRANT</b>
8211	2005-WH-AX-0038	100%	50%	\$ 575
8276	2005-WH-AX-0038	100%	50%	575
8332	2005-WH-AX-0038	100%	50%	665
10383	2009-EH-S6-0047	10%	0%	156
<b>TOTAL</b>				<b>\$1,971</b>

Source: CAPSA accounting records.

According to the *OJP Financial Guide*, where grant recipients work on multiple grant programs or cost activities, a reasonable allocation of costs to each activity must be made based on time and/or effort reports (e.g., timesheets). We determined the four transactions above are not a reasonable allocation of costs. The issue was likely caused by CAPSA's payroll procedures. CAPSA allocates payroll costs based on pre-determined percentages that are allocated to each activity. This means CAPSA personnel must tailor their work schedules to match the pre-determined cost allocations. The instances we identified are representative of times when

staff did not properly modify their schedules. As a result, we question \$1,971 as unallowable.

During our review of payroll expenditures we found that nine of the 29 timesheets (31 percent) we examined as part of our original sample were missing a supervisor's signature. CAPSA officials acknowledged that they sometimes do not obtain the signatures. According to the *OJP Financial Guide*, time and/or effort reports (e.g., timesheets) must be signed by the employee and approved by a supervisory official having firsthand knowledge of the work performed. We recommend that CAPSA takes steps to ensure that timesheets are consistently reviewed by the appropriate supervisor.

## **Budget Management and Control**

For each grant, CAPSA had an approved budget broken down by the following categories: personnel, fringe benefits, travel, equipment, supplies, contractual costs, and other costs. According to the *OJP Financial Guide*, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories, if the proposed cumulative change is greater than 10 percent of the total award amount. We compared actual grant expenditures to the approved grant budgets to determine whether CAPSA transferred funds among direct cost categories in excess of 10 percent. We determined that for all three grants CAPSA complied with the requirement, as the cumulative difference between actual category expenditures and approved budget category totals was not greater than 10 percent.

## **Grant Reporting**

We reviewed the FFRs and Categorical Assistance Progress Reports (progress reports) to determine if the required reports were timely and accurate. We also reviewed the Recovery Act reports, which were required for Grant No. 2009-EH-S6-0047. The reports were mostly submitted on time and the information in the progress reports appeared to be accurate. However, CAPSA reported financial information that did not match the organization's accounting records in both FFRs and Recovery Act reports.

### *Financial Reporting*

According to the *OJP Financial Guide*, grant recipients report expenditures online using the FFR no later than 30-days after the end of each calendar quarter. We reviewed the five most recent FFRs for each grant for a total of 15 reports and determined all reports were submitted prior to the FFR due dates.

We also reviewed financial reporting for accuracy. According to the *OJP Financial Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred both for the reporting period and cumulatively, for each award. CAPSA overstated period expenditures in 10 of the 15 reports we reviewed and understated period expenditures in 5 of the 15 reports we reviewed, as shown in Exhibit 4.

**EXHIBIT 4: FFR ACCURACY BY PERIOD**

<b>REPORT No.</b>	<b>REPORT PERIOD END DATE</b>	<b>PERIOD EXPENDITURES PER QUARTERLY REPORT</b>	<b>PERIOD EXPENDITURES PER ACCOUNTING RECORDS</b>	<b>DIFFERENCE BETWEEN REPORTS &amp; ACCOUNTING RECORDS</b>
<b>Grant No. 2005-WH-AX-0038</b>				
24	06/30/11	\$24,401	\$25,918	\$ (1,517)
25	09/30/11	25,524	24,770	755
26	12/31/11	20,186	18,388	1,798
27	03/31/12	16,993	16,641	351
28	06/30/12	19,011	18,689	322
<b>Grant No. 2007-FW-AX-K003</b>				
15	06/30/11	\$77,202	\$77,718	\$ (516)
16	09/30/11	55,787	56,819	(1,032)
17	12/31/11	40,370	41,115	(745)
18	03/31/12	24,556	23,960	596
19	06/30/12	25,033	25,246	(212)
<b>Grant No. 2009-EH-S6-0047</b>				
8	06/30/11	\$15,632	\$15,575	\$ 57
9	09/30/11	14,506	14,125	381
10	12/31/11	13,845	13,623	222
11	03/31/12	20,213	19,997	216
12	06/30/12	15,129	14,939	190

Source: OJP's Grant Management System and CAPSA accounting records

The cumulative expenditures reported in the FFRs for all three grants were overstated as of June 30, 2012, as shown in Exhibit 5.

## EXHIBIT 5: CUMULATIVE FFR ACCURACY

REPORT No.	REPORT PERIOD END DATE	CUMULATIVE EXPENDITURES PER QUARTERLY REPORT	CUMULATIVE EXPENDITURES PER ACCOUNTING RECORDS	DIFFERENCE BETWEEN REPORTS & ACCOUNTING RECORDS
<b>Grant No. 2005-WH-AX-0038</b>				
28	06/30/12	\$645,015	\$640,061	\$4,954
<b>Grant No. 2007-FW-AX-K003</b>				
19	06/30/12	745,985	745,795	191
<b>Grant No. 2009-EH-S6-0047</b>				
12	06/30/12	215,341	212,502	2,839

Source: OJP's Grant Management System and CAPSA accounting records

In response to our inquiry regarding the discrepancies, CAPSA officials stated that CAPSA incurred some allowable program expenditures that were not classified as program expenditures in the accounting system. When monthly reports were being prepared CAPSA officials identified these expenditures as grant expenditures, despite being classified under a non-grant fund. CAPSA officials reported the expenditures in the FFRs and in some cases did not go back and reclassify the expenditures under the grant programs. CAPSA officials stated that they will work to update records to reflect the actual expenditures. The discrepancies were not corrected, as of the completion of our audit. Therefore, we recommend that CAPSA takes steps to ensure that the financial information reported in FFRs matches the financial information reported in CAPSA's accounting records.

### *Progress Reports*

According to the *OJP Financial Guide*, progress reports are due semiannually on January 30 and July 30 for the life of the award. We reviewed the five most recent progress reports for each grant for a total of 15 reports and determined all but one report were submitted prior to the progress report due dates. The progress report for Grant No. 2007-FW-AX-K003 covering January through June 2012 was submitted on July 31, 2012, one day late. We do not take exception to this submission, as one day does not constitute a significant lapse in time and it was the only exception.

We also reviewed the progress reports for accuracy. According to the *OJP Financial Guide*, the funding recipient agrees to collect data appropriate for facilitating reporting requirements established by Public Law 103-62 for the *Government Performance and Results Act*. The funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. We reviewed and compared statistical data to verify performance claims for the last year of the grants.

In order to verify the information in progress reports, we selected a sample of 2 program accomplishments from the 2 most recent progress reports submitted for each grant for a total sample size of 12. We then traced the items to supporting documentation maintained by CAPSA officials. For Grant No. 2005-WH-AX-0038, we requested verification in the following areas: (1) victims served, (2) housing assistance costs, (3) support services, and (4) length of stay in the program. For Grant No. 2007-FW-AX-K003, we requested verification in the following areas: (1) number of program staff trained, (2) training topics covered, (3) planning/development meeting attendance, and (4) number of meetings held. For Grant No. 2009-EH-S6-0047, we requested verification in the following areas: (1) housing units funded, (2) support services, (3) demographics of victims served, and (4) destination upon exit from program. CAPSA officials provided sufficient source documentation to support the information reported to the OVW for all items in our sample.

### *Recovery Act Reports*

According to *Section 1512 of the Recovery Act*, reports on the use of Recovery Act funding by recipients are due no later than the tenth day after the end of each calendar quarter. We reviewed the submission times for the two most recent Recovery Act reports for Grant No. 2009-EH-S6-0047 and found that both reports were submitted on the twelfth day after the end of the calendar quarter. We do not take exception to the submissions, as two days does not constitute a significant lapse in time.

We also reviewed the Recovery Act reports for accuracy. According to *Section 1512 of the Recovery Act*, the recipient reports are required to include the amount of funds spent on projects and activities, a description of the projects and activities, estimates on jobs created or retained, and data on payments made to both sub-recipients and vendors. We reviewed the most recent report and determined CAPSA provided an accurate description of the projects and activities and an accurate estimate of the number of jobs created or retained.

The cumulative expenditure amount – the amount of funds spent on projects and activities – reported for the quarter ending June 30, 2012 was the same amount reported in the FFR for the report period ending on the same date. Like the FFR, cumulative expenditures reported in the Recovery Act report totaled \$215,341, which is \$2,839 more than what was identified in the accounting records.

According to *Section 1512 of the Recovery Act*, the prime recipient is responsible for reporting data on payments made to both sub-recipients and vendors. Sub-recipients are non-federal entities that are awarded Recovery

funding from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. A vendor is defined as a dealer, distributor, merchant, or other seller providing goods or services. For the quarter ending June 30, 2012, CAPSA understated cumulative sub-recipient disbursements and overstated cumulative vendor expenditures, as shown in Exhibit 6.

**EXHIBIT 6: RECOVERY ACT PAYMENTS TO SUB-RECIPIENTS AND VENDOR**

REPORT PERIOD END DATE	RECIPIENT	REPORTED CUMULATIVE DISBURSEMENTS	ACTUAL CUMULATIVE DISBURSEMENTS	DIFFERENCE BETWEEN REPORTED AND ACTUAL
06/30/12	Sub-Recipient	\$ 22,347	\$ 24,058	\$(1,711)
06/30/12	Vendor	149,578	133,246	16,332

Source: www.RecoveryAct.gov and CAPSA accounting records

CAPSA reported the same cumulative sub-recipient disbursements totaling \$22,347 in its quarterly report ending March 31, 2012. There is an April 2012 transaction for \$1,711. It appears that CAPSA mistakenly excluded the April 2012 transaction from the most recent report. In response to our inquiry regarding the reported cumulative sub-recipient disbursements, CAPSA officials stated that they were instructed to include the cumulative disbursements paid to sub-recipients as part of the cumulative disbursements paid to vendors. The issue is twofold: (1) Recovery Act criteria requires that the sub-recipient and vendor expenditures be reported separately and (2) the difference between the reported and actual cumulative vendor disbursements was not fully explained by subtracting out the sub-recipient disbursements.

We recommend that CAPSA takes steps to ensure that the financial information reported in Recovery Act reports matches the financial information reported in CAPSA’s accounting records.

**Program Performance and Accomplishments**

We reviewed the OVW grant solicitations and grant documentation, and interviewed CAPSA officials to determine whether the program goals and objectives were implemented. The goals and objectives for each grant and the degree to which each grant met those goals and objectives are detailed below.

*Grant No. 2005-WH-AX-0038*

Grant No. 2005-WH-AX-0038 was funded by the Transitional Housing Assistance Program, which supported programs that provide assistance to victims of domestic violence, dating violence, sexual assault, and stalking

who are in need of transitional housing, short-term housing assistance, and related support services. CAPSA's goals for the grant were to increase survivors' ability to establish safe affordable housing, build a life free of abuse, and increase their level of self-sufficiency with a specific focus on survivors with disabilities, survivors living in rural jurisdictions, and immigrants. This included the following objectives: (1) provide case management to 42 victims of domestic violence with the help of a full-time Transitional Housing Coordinator, (2) provide ongoing support through groups and seminars, and (3) provide case management with the help of a full-time Children's Advocate.

CAPSA officials stated that the objectives were achieved. We found that CAPSA provided financial assistance to 60 victims of domestic violence, as of the start of our audit. This exceeds the number of victims intended to be served. Both the Transitional Housing Coordinator position and Children's Advocate position were funded through the grant. Additionally, CAPSA provided evidence of both workshops and support services. We determined CAPSA's assertion is reasonable, based on our review of CAPSA's financial records and other supporting documentation.

*Grant No. 2007-FW-AX-K003*

Grant No. 2007-FW-AX-K003 was funded by the Disability Grant Program, which provided funds to establish multidisciplinary collaborative relationships and to increase organizational capacity to provide safe, accessible, and responsive services to women with disabilities who are victims of violence and abuse. CAPSA's goals for the grant were to enhance services for survivors of domestic abuse with mental health and intellectual disabilities, in conjunction with partnering agencies. In October 2007, CAPSA and three partnering organizations formed Northern Utah's Choices Out of Violence (NUCOV). NUCOV's grant objectives included the following work products: (1) relationship building, (2) a new charter, (3) a needs assessment, (4) accessibility and safety audits, (5) a Memorandum of Understanding (MOU), (6) policies, procedures, and practices, and (7) System Navigation Advocacy Toolkit.

The OVV grant manager responsible for overseeing this grant stated that this award is a cooperative agreement and as such, the grant manager works closely with CAPSA and approves all work products. We saw evidence of a needs assessment, an accessibility and safety audit, an MOU, and the Advocacy Toolkit, which includes policies and procedures. We also saw minutes from a number of NUCOV partner meetings, further demonstrating relationship building and policies, procedures, and practices. CAPSA officials stated that service for victims with disabilities is now immediate, because a case worker of their disability partner is available. CAPSA feels the program is doing what it should and the staff have changed as they all strive to be

more accessible. We determined the OVW's strong oversight, in conjunction with the completed work products, demonstrate that CAPSA is achieving the goals and objectives of the grant.

*Grant No. 2009-EH-S6-0047*

Grant No. 2009-WH-S6-0047 was funded by the Recovery Act Transitional Housing Assistance Program, which supported programs that provide assistance to victims of domestic violence, dating violence, sexual assault, and stalking who are in need of transitional housing, short-term housing assistance, and related support services. CAPSA's goals for the grant were to increase survivors' ability to establish safe affordable housing, build a life free of abuse, and increase their level of self-sufficiency with a specific focus on survivors with disabilities, survivors living a rural jurisdiction, and immigrants. This included the following objectives: (1) provide case management to 21 victims of domestic violence with the help of a full-time transitional housing coordinator, (2) provide ongoing support through groups and seminars, and (3) provide individualized financial counseling with the help of a part-time advocate.

CAPSA officials stated that the objectives were achieved. We found that CAPSA provided financial assistance to 20 victims of domestic violence, as of the start of our audit. This is only one client less than the number intended to be served. The grant is not scheduled to end until June 2013, meaning CAPSA is likely to enroll at least one additional client. The Transitional Housing Coordinator position was funded through the grant. CAPSA provided evidence of both workshops and support services. Finally, we saw evidence that a sub-recipient has provided individual financial counseling, as intended. We determined CAPSA's assertion is reasonable, based on our review of CAPSA's financial records and other supporting documentation.

## **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 whether the program goals and objectives were implemented. We examined CAPSA's accounting records, budget documents, financial and progress reports, and operating policies and procedures. We found:

- \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets for all three grants,

- \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets for Grant Nos. 2005-WH-AX-0038 and 2007-FW-AX-K003,
- \$490 unallowable costs used to purchase prohibited items for all three grants,
- \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets for Grant Nos. 2005-WH-AX-0038 and 2007-FW-AX-K003,
- \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants for Grant Nos. 2005-WH-AX-0038 and 2009-EH-S6-0047,
- CAPSA did not consistently obtain supervisor approval on timesheets, and
- CAPSA reported financial information in both FFRs and Recovery Act reports that did not match the organization's accounting records.

## **Recommendations**

We recommend that the OVW coordinate with CAPSA to:

1. Remedy the \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets.
2. Remedy the \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets.
3. Remedy the \$490 unallowable costs used to purchase prohibited items.
4. Remedy the \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets.
5. Remedy the \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants.
6. Ensure that timesheets are consistently reviewed by the appropriate supervisor.
7. Ensure the financial information reported in FFRs and the Recovery Act reports match the financial information reported in CAPSA's accounting records.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of this audit are to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant-related transactions, including personnel costs, (4) budget management and control, (5) financial and progress reports, (6) award requirements, (7) monitoring of subrecipients, (8) property management, and (9) program performance and accomplishments. We determined that indirect costs, program income, and matching were not applicable to these awards. We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in this report, the criteria we audit against are contained in the *OJP Financial Guide*, the *2012 OVW Financial Grants Management Guide* where applicable, and the award documentation.

Our audit concentrated on, but was not limited to September 12, 2005, the award date of Grant No. 2005-WH-AX-0038, through August 20, 2012, the first day our fieldwork. This was an audit of the OVW Grant Nos. 2005-WH-AX-0038, 2007-FW-AX-K003, and 2009-EH-S6-0047 awarded to CAPSA. CAPSA had drawn down a total of \$1,606,341 in grant funds as of July, 31 2012.

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.

In conducting our audit, we performed sample testing in four areas, which were grant expenditures (including personnel expenditures), Financial Reports, progress reports, and Recovery Act reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed, such as dollar amounts, expenditure category, or risk. However, this non-statistical sample design does not allow a projection of the test results for all grant expenditures or internal controls and procedures.

In addition, we evaluated internal control procedures (including monitoring of sub-recipients), drawdowns, budget management and controls, compliance with grant requirements, and program performance and accomplishments. However, we did not test the reliability of the financial management system as a whole and reliance on computer based data was not significant to our objective.

## SCHEDULE OF DOLLAR-RELATED FINDINGS

<b><u>QUESTIONED COSTS</u></b> <sup>7</sup>	<b><u>AMOUNT</u></b>	<b><u>PAGE</u></b>
<b>Non-payroll Items:</b>		
Unallowable Costs – Not in Budget	\$9,041	8-9
Unallowable Costs – Excess Rates	\$1,555	10
Unallowable Costs – Prohibited Items	\$490	10-11
<b>Payroll:</b>		
Unallowable Costs – Not in Budget	\$14,850	11-12
Unallowable Costs – Excess Pay	\$1,971	12-13
<b>TOTAL QUESTIONED COSTS</b>	<b>\$27,907</b>	
<b>TOTAL DOLLAR-RELATED FINDINGS</b>	<b>\$27,907</b>	

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<sup>7</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE  
RESPONSE TO DRAFT AUDIT REPORT**



COMMUNITY ABUSE PREVENTION SERVICES AGENCY

P.O. BOX 3617 • LOGAN, UTAH • 84323-3617 • BUSINESS: 752-4493 • CRISIS: 753-2500 • FAX: 753-7054

December 19, 2012

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

Dear Mr. Sheeren,

Please find below and attached CAPSA's response to the Office of the Inspector General Draft Audit Report recommendations.

**1. Remedy the \$9,041 used to purchase items not included as part of the approved grant budgets.**

We agree the items listed under this recommendation were not specifically named in the grant budgets. We believed they appropriately fell into more general categories listed in the grant budget. We will work with OVW to remedy these items.

**2. Remedy the \$1,566 used to reimburse staff and make purchases in excess of rates approved in the grant budget.**

We agree that the per-person rates exceeded what was specifically listed in the grant budget. While we stayed within the total amount allocated, once gratuity was added in the per-person rate for the specific items listed were over the per-person rate estimated in the budget. We will work with OVW to remedy these items.

**3. Remedy the \$491 used to purchase prohibited items.**

We have received conflicting information about whether or not these items are prohibited. We will work with OVW to finalize and remedy these items.

**4. Remedy the \$14,850 for salary and fringe benefits not included as part of approved grant budgets.**

We agree that the salary and fringe benefits were not included as part of the approved budget or in any record of a GAN. We have remedied part of this recommendation through GAN #351024 and will continue to work with OVW to resolve the remaining items.

**5. Remedy the \$1,971 used for salary expenditures charged to the grants that exceeded the cost allocation based on time worked on the grant.**

We agree that the times sheets specifically addressing these salary expenditures were not documented correctly. The TH Caseworker has always worked 100% time on TH activities. Prior to this

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time period the TH Caseworker was paid ½ time by private donations/fundraisers and ½ by the TH grant. When our private donations and fundraisers began to dwindle we received permission to charge 100% of her time to the TH grant since 100% of her time has always been on TH activities (we could not find written record of this approval). The TH Caseworker forgot to change how she recorded which funding source was paying for her time. We will work with OVW to remedy this item.

**6. Ensure that time sheets are consistently signed by appropriate supervisor.**

CAPSA's Payroll procedures have been revised to ensure all time sheets have appropriate supervisor signature. Please see attached revised procedure

**7. Ensure financial information reported in the FFR's and Recovery Act reports match the financial information reported in CAPSA's financial records.**

CAPSA's Fiscal procedures related to grant billing have been revised with an additional step to ensure the FFR's and Recovery Act reports match the financial information reported in CAPSA's financial records each month. Please see attached revised procedure.

Please let me know if additional clarification is necessary. Thank you again for your work with CAPSA throughout the OIG audit process.

Sincerely,



Jill W. Anderson  
Executive Director

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



U.S. Department of Justice

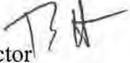
Office on Violence Against Women

Washington, D.C. 20530

January 15, 2013

**MEMORANDUM**

TO: David Sheeren  
Regional Audit Manager  
Denver Regional Audit Office

FROM: Bea Hanson   
Acting Director  
Office on Violence Against Women

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women  
Grants Awarded to the Citizens Against Physical and Sexual Abuse,  
Logan, Utah

This memorandum is in response to your correspondence dated November 30, 2012 transmitting the above draft audit report for Citizens Against Physical and Sexual Abuse (CAPSA). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **seven** recommendations which include \$38,997 in unallowable costs. The Office on Violence Against Women (OVW) agrees with the recommendations and 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 each audit recommendation. Please note that OVW is requesting closure for recommendation numbers 6 and 7.

- 1. Remedy \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets.**

We agree with this recommendation. We will coordinate with CAPSA to remedy \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets.

- 2. Remedy the \$1,556 in unallowable costs used to reimburse staff and make purchases at rates the exceeded the rates approved in the grant budgets.**

We agree with this recommendation. We will coordinate with CAPSA to remedy the \$1,556 in unallowable costs used to reimburse staff and make purchases at rates the exceeded the rates approved in the grant budgets.

- 3. Remedy the \$491 in unallowable costs used to purchase prohibited items.**

We agree with this recommendation. We will coordinate with CAPSA to remedy the \$491 in unallowable costs used to purchase prohibited items.

- 4. Remedy the \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets.**

We agree with this recommendation. We will coordinate with CAPSA to remedy the \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets.

- 5. Remedy the \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants.**

We agree with this recommendation. We will coordinate with CAPSA to remedy the \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants.

- 6. Ensure that timesheets are consistently reviewed by the appropriate supervisor.**

We have obtained the necessary document to ensure that timesheets are consistently reviewed by the appropriate supervisor. See attachments.

7. **Ensure that financial information reported in the FFRs and the Recovery Act reports match the financial information reported in CAPSA's accounting records.**

We have obtained the necessary document to ensure that financial information reported in the FFRs and the Recovery Act reports match the financial information reported in CAPSA's accounting records. See attachments.

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

cc: Louise M. DuHamel  
Acting Assistant Director  
Audit Liaison Group  
Justice Management Division

Angela Wood  
Budget Officer  
Office on Violence Against Women

Paule Tessier  
Program Specialist  
Office on Violence Against Women

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

The OIG provided a draft of this audit report to CAPSA and the OVW. The responses are incorporated into Appendixes III and IV of this final report. CAPSA's response included updated policy documentation relating to recommendations 6 and 7 of this report. Additionally, CAPSA submitted and OVW approved a retroactive GAN related to recommendation 4. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

1. **Resolved.** The OVW concurred with our recommendation to remedy the \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets. The OVW stated in its response that it will coordinate with CAPSA to remedy the unallowable costs.

This recommendation can be closed when we receive evidence that the OVW coordinated with CAPSA to remedy the \$9,041 in unallowable costs used to purchase items that were not included as part of the approved grant budgets.

2. **Resolved.** The OVW concurred with our recommendation to remedy the \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets.<sup>8</sup> The OVW stated in its response that it will coordinate with CAPSA to remedy the unallowable costs.

This recommendation can be closed when we receive evidence that the OVW coordinated with CAPSA to remedy the \$1,555 in unallowable costs used to reimburse staff and make purchases at rates that exceeded the rates approved in the grant budgets.

3. **Resolved.** The OVW concurred with our recommendation to remedy the \$490 unallowable costs used to purchase prohibited items.<sup>9</sup> The OVW stated in its response that it will coordinate with CAPSA to remedy the unallowable costs.

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<sup>8</sup> The difference between the unallowable costs identified here and the unallowable costs identified by CAPSA and the OVW is due to an adjustment related to rounding.

<sup>9</sup> The difference between the unallowable costs identified here and the unallowable costs identified by CAPSA and the OVW is due to an adjustment related to rounding.

This recommendation can be closed when we receive evidence that the OVW coordinated with CAPSA to remedy the \$490 unallowable costs used to purchase prohibited items.

4. **Resolved.** The OVW concurred with our recommendation to remedy the \$14,850 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets. The OVW stated in its response that it will coordinate with CAPSA to remedy the unallowable costs.

We reviewed a GAN approved by the OVW that provided retroactive approval for the inclusion of the Operations Director position in the budget for Grant No. 2007-FW-AX-K003. The GAN included approval of the \$12,430 in salary and fringe benefits costs related to the position. As a result we consider \$12,430 of the \$14,850 in questioned costs for salary and fringe benefits to be remedied.

This recommendation can be closed when we receive evidence that the OVW coordinated with CAPSA to remedy the remaining \$2,420 in unallowable costs used for salary and fringe benefits expenditures that were not included as part of the approved grant budgets.

5. **Resolved.** The OVW concurred with our recommendation to remedy the \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants. The OVW stated in its response that it will coordinate with CAPSA to remedy the unallowable costs.

In their response, CAPSA officials agreed that the timesheets were not documented correctly. They stated that for one of the employees in question, the grant was properly charged for time worked and the timesheets were incorrect. Grant criteria stipulate that cost allocations must be made based on time and/or effort reports (e.g., timesheets). For the purposes of our analysis, we relied on the timesheets, which was the official documentation for grant payroll.

This recommendation can be closed when we receive evidence that the OVW coordinated with CAPSA to remedy the \$1,971 in unallowable costs used for salary expenditures charged to the grants that exceeded an appropriate cost allocation based on time worked on the grants.

6. **Closed.** We recommended that the OVW ensure that the timesheets are consistently reviewed by the appropriate supervisor. The OVW concurred with our recommendation and CAPSA provided documentation demonstrating that they updated their payroll policies and procedures. CAPSA added language to the policies and

procedures which included ensuring that all time sheets include a signature from a direct supervisor or a member of administration.

We reviewed this documentation and determined it adequately addressed our recommendation. Therefore, this recommendation is closed.

7. **Closed.** We recommended that the OVW ensure the financial information reported in FFRs and the Recovery Act reports match the financial information reported in CAPSA's accounting records. The OVW concurred with our recommendation and CAPSA provided documentation demonstrating that they updated their billing policies and procedures. CAPSA added language, which included reconciling the grants' financial reports created using CAPSA's accounting records with the spreadsheet the Executive Director uses for grant reporting.

We reviewed this documentation and determined it adequately addressed our recommendation. Therefore, this recommendation is closed.