AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS TO INDIAN TRIBAL GOVERNMENTS PROGRAM AWARDED TO THE YANKTON SIOUX TRIBE WAGNER, SOUTH DAKOTA

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 TO INDIAN TRIBAL GOVERNMENTS PROGRAM AWARDED TO THE YANKTON SIOUX TRIBE WAGNER, SOUTH DAKOTA

EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of the Office on Violence Against Women (OVW), Grants to Indian Tribal Governments Program, Grant No. 2007-TW-AX-0042 totaling $389,996, awarded to the Yankton Sioux Tribe (YST), Wagner, South Dakota.

EXHIBIT 1: GRANT AWARDED TO YANKTON SIOUX TRIBE

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2007-TW-AX-0042	09/17/07	09/01/07	02/28/13	$ 389,996
			Total:	**$ 389,996**

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

Background

The OVW's 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 of domestic violence, dating violence, sexual assault, and stalking. To support this mission, 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 Yankton Sioux Tribe of South Dakota (YST) resides on the Yankton Reservation, which is approximately 40,000 acres in southeast South Dakota. Approximately 3,500 enrolled tribal members live within this area. The YST government consists of a constitution and bylaws and the governing body is the Yankton Sioux Tribal Business and Claims Committee, made up of five committee members and four Executive Officers including the Chairman, Vice-Chairman, Secretary, and Treasurer.

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the

grant. The objective of the audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) budget management and control, (5) financial status and progress reports, (6) program performance and accomplishments, (7) grant closeout activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of sub-grantees and contractors, and (12) special grant requirements. We found that grant closeout, property management, matching costs, program income, and monitoring of sub-grantees and contractors were not applicable to this grant audit. We tested compliance with what we consider to be the most important conditions of the grant award. Unless otherwise stated in this report, the criteria we audit against are contained in the *OJP Financial Guide* and the award documents.

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

- the accounting system allowed backdating transactions after the end of the reporting period;

- drawdowns were generally unsupported and exceeded actual expenses by approximately $141,808. Prior to our audit, the YST returned $55,409 of these excess drawdowns to the OVW;

- unallowable indirect costs totaling $19,082 and bank charges totaling $160 were reimbursed with grant funds;

- training events and similar activities were not relevant to the grant goals and objectives resulting in $12,053 in unallowable questioned costs;

- training events and similar activities were not pre-approved by the OVW, as required, resulting in $14,795 in questioned costs;

- a traveler was reimbursed twice for mileage and for hotel bills that were direct billed to another agency resulting in $953 in questioned costs;

- documentation for grant-related transactions was sometimes missing or incomplete resulting in $13,428 in questioned costs;

- timecards to support some payroll records were missing;

- Federal Financial Reports and Financial Status Reports were inaccurate; and

- Progress reports were not submitted timely and were unsupported.

This report contains 10 recommendations and identifies $59,518 in dollar-related findings, which are detailed in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

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The Yankton Sioux Tribe of South Dakota (YST) resides on the Yankton Reservation, which is approximately 40,000 acres in southeast South Dakota. Approximately 3500 enrolled tribal members live within this area. The government consists of a constitution and bylaws and the governing body is the Yankton Sioux Tribal Business and Claims Committee, made up of five committee members and four Executive Officers including the Chairman, Vice-Chairman, Secretary, and Treasurer.

The Grants to Indian Tribal Governments Program (Tribal Governments Program) has multiple goals, and awards funds to:

- Develop and enhance effective plans for tribal governments to respond to violence committed against Indian women;
- Strengthen the tribal criminal justice system;
- Improve services available to help Indian women who are victims of violence;
- Create community education and prevention campaigns;
- Address the needs of children who witness domestic violence;
- Provide supervised visitation and safe exchange programs;
- Provide transitional housing assistance; and
- Provide legal advice and representation to survivors of violence who need assistance with legal issues caused by the abuse or the violence they suffered.

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of the audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) budget management and control, (5) financial status and progress reports, (6) program performance and accomplishments, (7) grant closeout activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of sub-grantees and contractors, and (12) special grant requirements. We found that grant closeout, property management, matching costs, program income, and monitoring of sub-grantees and contractors were not applicable to this grant audit.

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

- **grant award drawdowns** to determine whether grantee drawdowns were adequately supported and if the YST was expending drawdowns timely;

- **budget management and control** to determine the YST's compliance with the costs approved in the grant budget;

- **grant award expenditures** to determine the accuracy and allowability of costs charged to the grant;

- **Financial Status Reports/Federal Financial Reports (FSRs/FFRs) and Progress Reports** to determine if the required FSR/FFRs and Progress Reports were submitted in a timely manner and accurately reflect grant activity; and

- **grant program performance and accomplishments** to determine whether the YST has met the grant objectives.

The findings and recommendations are detailed in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology appear in Appendix I.

FINDINGS AND RECOMMENDATIONS

We determined that the YST has documented policies and procedures related to financial and accounting functions and an accounting system that provides for separation of duties, access level security, and transaction traceability. However, the YST's accounting system permitted transactions to be backdated into the general ledger nearly one year after the period end date. We also found that the YST had excess and unsupported drawdowns; unallowable indirect costs and bank charges; unapproved training activities; unallowable training activities; inappropriate travel reimbursements; and incomplete documents. Additionally, Financial Reports were inaccurate and Progress Reports were submitted late and were not adequately supported.

Prior Audits

Single Audit

The *Office of Management and Budget (OMB) Circular A-133* requires that non-Federal entities that expend $500,000 or more per year in Federal awards have a single audit performed annually. We determined that the most recent Single Audit of the YST was for Fiscal Year (FY) 2011, which ended September 30, 2011. We reviewed the audit report and identified the following issues which could relate to the administration of Grant No. 2007-TW-AX-0042:

- Travel procedures were not followed relating to collection and maintenance of receipts, reconciliation of advances, and balancing the travel advances with the general ledger.

- While the YST management has identified and addressed some specific risks relevant to an overall risk assessment for the entire organization, it has no formal process to assess, analyze, and manage these risks on an ongoing basis.

- From the 2009 and 2010 Single Audits, grant reports were delinquent, but this issue was reported to have been corrected in 2011.

The OVW Site Visit

We noted that the OVW Program Manager responsible for the Grants to Tribal Governments Program, Grant No. 2007-TW-AX-0042, had performed a site visit in April 2012. According to the site visit report, obtained from the

OVW Grants Manager, there were several issues identified, the most material issues were:

- Progress Reports indicate training; however, no materials related to any of these trainings were submitted for prior review and approval by the OVW.

- Progress Report indicates the use of grant funds for transitional housing, which is unbudgeted and requires submittal of a separate plan concerning policies and criteria.

- Federal Financial Reports were frequently inaccurate.

As a result of the information in the Single Audit and the OVW site visit, we expanded our sampling in reviewing reports and transaction testing. These modifications are described in the applicable sections that follow where we discuss our methodology.

Internal Control Environment

We reviewed the YST's internal control environment, including procurement, receiving, payment, and payroll procedures to determine compliance with the terms and conditions of the grant award and to assess risk.

We determined the YST has documented policies and procedures related to financial and accounting functions. All financial activities for the YST are performed by the Finance Department. However, the YST does consult with a local accounting firm. The Single Audit was performed by another accounting firm located in Yankton, South Dakota.

YST officials stated that it currently uses the FUTEX accounting system and has used this system since the mid 1980's. It has a comprehensive set of accounting and financial programs including accounts payable, accounts receivable, purchasing, inventory, check writing, travel and personnel. The YST is in the process of converting its financial system to the Sage MIP Funds Accounting system. According to YST officials, Sage MIP will be able to absorb all the data in the FUTEX system.

Each financial function (payroll, purchasing, personnel, etc.) has a different responsible person, and a backup person that can also accomplish the function. Payroll, Procurement, Personnel, and the other finance departments are physically separated. Additionally, the accounting system is password protected and has separate access levels which prevent unauthorized personnel from accessing accounts they are not qualified to

enter into or edit. The system is backed up weekly and the backup is kept in a safety deposit box. There is also a firewall to protect external access and prevent hacking. All transactions are date and time stamped and cannot be changed.

We did find one weakness concerning the closing out of quarterly reporting periods. The accounting system allowed backdating transactions after the end of the reporting period. According to management at the accounting firm that the YST uses for financial consulting, this was partly due to the FUTEX system not automatically forcing financial period closeouts allowing the period to remain open indefinitely and partly due to the YST being behind in their accounting.

This issue came to light during the evaluation of Financial Status Reports/Federal Financial Reports (FSR/FFR) in which the totals on the general ledger expense summary sheets did not match the totals on the FSR/FFRs. This is discussed in greater detail later in the *Financial Reporting* section of this report. As shown below in Exhibit 2, approximately $19,082 was backdated into an earlier time period.

EXHIBIT 2: BACKDATED INDIRECT COSTS CHARGED TO GRANT[1]

EFFECTIVE DATE	DESCRIPTION	REFERENCE	DEBIT	DATE ENTERED
09/30/08	Update IDC TO 33.32% of Direct Exp	2008-088	$ 1,662	06/19/09
11/30/08	Update IDC TO 33.32% of Direct Exp	2009-039	4,438	06/19/09
02/28/09	Update IDC TO 33.32% of Direct Exp	2009-040	6,527	06/19/09
05/31/09	Update IDC TO 33.32% of Direct Exp	2009-042	6,454	06/19/09
TOTAL			**$19,082**	

Source: The YST General Ledger

As a result of the backdated transactions, all of the cumulative totals on the FSR/FFRs were inaccurate, with actual expenses understated. According to the accounting firm's management, the YST is now up-to-date on its accounting, so they are able to complete the closeout annually. We recommend the YST implement procedures to ensure that accounting periods are closed out timely and backdating is eliminated.

Drawdowns

According to the OJP Financial Guide, recipients should time their drawdown requests to ensure that federal cash on hand is the minimum

[1] Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

needed for disbursements to be made immediately or within 10 days. The YST Administrative Officer stated that drawdowns are supposed to be based on advances for obligations such as payroll and accounts payable, which are then settled once the drawdown reaches the bank in 1-2 days. It should be noted that the first drawdown for the YST was October 1, 2008, while the grant start date was September 17, 2007. This delay of more than a year was due to the late completion of the 2006 Single Audit report.

Currently, the Drawdown Officer receives a “drawdown calculation spreadsheet” from the Payroll Officer and the Accounts Payable Clerk showing how much is owed from the grant program. The Payroll Officer and Accounts Payable Clerk cross check with the bank balance associated with the program. If there are not sufficient funds, checks are held and the Drawdown Officer submits a request for a drawdown to the funding agency. Once the funds arrive at the bank, the checks are released.

The drawdowns were evaluated to determine if there was adequate documentation to support each drawdown, and to determine if overall expenditures and drawdowns generally matched to ensure there were no excess funds on hand. However, in reviewing the support documents provided, it was noted that there were no support documents provided for drawdowns 1, 2, 3, 10, 11, and 12, and only limited documents were provided for drawdowns 4 through 9. According to the OJP Financial Guide 2006, "All recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them…." The YST did not establish or maintain an adequate system to accurately account for funds drawn. The YST management could not explain why there were missing or insufficient support documents related to drawdowns.

Since documents for draws 1 through 3 and 10 through 12 were not provided, we requested general ledger expense summaries for all of the drawdown periods. We defined the drawdown period for each drawdown as the day following the last draw through the date of the next draw. The drawdowns were evaluated to determine if the general ledger expense summaries for these defined periods supported the amounts drawn. Since drawdowns 5 and 6 occurred on the same day, the expenses are shown for drawdown number 5.

Exhibit 3 shows that beginning with drawdown 4, the cumulative gap between drawdowns and actual expenses continued to increase until excess drawdowns exceeded actual expenses by $141,808 as of December 17, 2010, which was the last drawdown.

EXHIBIT 3: DRAWDOWN HISTORY COMPARED TO EXPENSES

Draw No.	Date of Drawdown per OJP	Amount Drawn per OJP	Expenses per Accounting Records for Drawdown Period	Cumulative Drawdowns per OJP	Cumulative Expenses per Accounting Records	Difference Between Cumulative Drawdowns and Expenses
1	10/01/08	$ 8,000	$ 10,316	$ 8,000	$ 10,316	$ 2,316
2	10/14/08	3,500	(418)	11,500	9,897	(1,603)
3	03/18/09	35,000	45,379	46,500	55,276	8,776
4	06/01/09	35,000	22,419	81,500	77,695	(3,805)
5	06/24/09	12,208	5,757	93,708	83,452	(10,256)
6	06/24/09	21,961	-	s115,669	83,452	(32,217)
7	09/17/09	22,000	16,019	137,669	99,470	(38,198)
8	12/01/09	5,000	18,066	142,669	117,536	(25,132)
9	12/10/09	15,000	5,351	157,669	122,888	(34,781)
10	09/22/10	100,000	62,461	257,669	185,348	(72,320)
11	10/18/10	32,327	6,596	289,996	191,945	(98,051)
12	12/17/10	60,000	16,243	$349,996	$208,188	$(141,808)
Total		**$349,996**	**$208,188**			

Source: Office of Justice Programs and Yankton Sioux Tribe General Ledger

The YST management could not explain why there was minimal support documentation for drawdowns or why they were overdrawn by $141,808. As a result of the OVW site visit in April 2012, the OVW requested, and the YST agreed, to return approximately $55,000 in excess drawdowns. The OVW finally received a check dated July 12, 2012 for $54,409. We recommend the YST implement a system to ensure all drawdowns are completely supported and that all drawdowns are expended within 10 days of receipt.

Grant Expenditures

Direct Costs

As mentioned previously in the "Prior Audits" section pertaining to Single Audits and a site visit by the OVW, there were concerns regarding travel reimbursements and possible unbudgeted expenditures. As a result of these concerns, we determined that we would expand our sample of transaction tests to include 100 percent of all non-personnel related transactions, thus excluding personnel and fringe benefits which were tested separately. We also excluded indirect costs as they were not approved in the grant budget, and bank charges as they were not approved in the grant budget and were unallowable.

We tested 204 transactions totaling $40,559 resulting in total questioned costs of $24,519. Additionally, we questioned indirect costs of $19,082 and bank charges of $160 bringing the total questioned costs to

$43,761. See the Schedule of Dollar-Related Findings in Appendix II for totals by category.

In performing the transaction tests, we found many of the line items were questioned for more than one reason. For instance, one transaction was questioned because: (1) the transaction was for training and no prior approval was received from the OVW, (2) the course was not relevant to the grant objectives, and (3) there was indication that the costs had been direct billed to the event sponsor and there was insufficient documentation to justify reimbursement to the traveler.

Appendix III, Detailed Questioned Costs, provides a comprehensive listing of all questioned costs, including identification of overlapping questioned costs. For purposes of tracking duplicate questioned cost transactions during the transaction testing, we used three categories of questioned costs: (1) Unallowable (not relevant to objectives of the grant), (2) unsupported (no receipts or other documents), and (3) unapproved (no prior approval as required from the OVW). Indirect costs and bank charges were separate questioned costs. We used the unallowable category as a baseline so there are no duplicate questioned cost transactions in this category. All of the duplication occurs in the unsupported and unapproved categories.

Exhibit 4 shows the breakout of costs by all categories, including the overlap between categories. See Appendix III, *Detailed Questioned Costs*, for detailed information on each transaction and the duplication of questioned costs.

EXIBIT 4: SUMMARY OF QUESTIONED COSTS BY CATEGORY[2]

TYPE OF QUESTIONED COST	AMOUNT
Indirect Costs (unbudgeted)	$ 19,082
Bank Charges (unbudgeted)	160
Unallowable (not relevant to objectives of the grant)	12,053
Unsupported (no receipts or other documents)	13,428
Unapproved (no prior approval as required by the OVW)	14,795
TOTALS	**$ 59,518**

Source: The YST general ledger and OIG evaluation

[2] Indirect costs and bank charges were separate transactions not included in the transaction testing. The category "Unallowable" was used as the baseline for questioned cost calculations so it does not have any duplicated questioned costs in it. The duplication in questioned costs are in the categories "Unsupported" (no receipts or other documents) and "Unapproved" (no prior approval by the OVW). There were a total of $15,757 in duplicate costs that were deducted from the $59,518 in Exhibit 4 to arrive at the $43,761 in Exhibit 5.

In reviewing the course outlines for training events, we determined in many instances the subject matter was not relevant to the objectives of the grant. The total questioned costs related to these transactions were $12,053. We recommend that the YST implement procedures to ensure only relevant training costs are charged to the grant.

According to the OJP Financial Guide, all recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. We found 54 transactions for which there was either no documentation or inadequate documentation resulting in $13,428 in questioned costs. We recommend the YST implement procedures to ensure all transactions are supported and records are maintained.

According to Special Condition 16 of the award documents, "the grantee will provide the OVW with the agenda for any training seminars, workshops, or conferences not sponsored by the OVW that project staff proposes to attend using grant funds." We found 18 instances of training related expenses and according to the OVW there were no requests or approvals of any non-OVW sponsored training. Additionally, according to Special Condition 21 of the award documents, the YST is required to submit the final policies, procedures, and rules regarding a transitional housing plan to the OVW for review and approval. According to the OVW, there is no approved transitional housing plan on file.

As a result, we questioned $14,795 in training-related costs and transitional housing which were not approved by the OVW. The previous Program Director was unavailable to explain why prior OVW approval was not sought or received, and neither the current Acting Program Director nor the YST management could provide an explanation. We recommend that the YST implement procedures to ensure compliance with all grant special conditions requiring prior OVW approval for training and similar events funded by the grant.

Exhibit 5 shows the net questioned costs by category taking into account the duplicate issues and removing them from the total. There was a total of $15,757 in duplicate questioned costs that were deducted from the Total Questioned Costs, leaving a net of $43,761. As mentioned previously, the total includes unallowable indirect costs and bank charges.

EXHIBIT 5: SUMMARY OF NET QUESTIONED COSTS BY CATEGORY[3]

TYPE OF QUESTIONED COST	AMOUNT
Indirect Costs (Unbudgeted)	$ 19,082
Bank Expenses Unbudgeted)	160
Questioned Costs (transaction testing without duplicates)	24,519
TOTALS	**$ 43,761**

Source: The YST general ledger and OIG evaluation

During our review of the travel transactions, we found two instances in which it appears the traveler may have been erroneously double reimbursed or reimbursed for expenses they did not incur. In the first instance, the submitted travel voucher included the receipt and payment for a hotel expense that was direct billed to the event sponsor. In the second instance, the submitted voucher included a hotel receipt and payment for an expense that was direct billed to the event sponsor as well as a mileage reimbursement, a portion of which had been paid directly to the traveler by the event sponsor. There was no indication any of these funds were repaid by the traveler to the grant account. The total amount questioned was $953, which was included in the unsupported and unallowable questioned costs.

According to the YST travel coordinator the primary cause for these occurrences was a lack of experience in processing the vouchers. We recommend the YST implement procedures to ensure travel vouchers are correct and only allowable costs are included.

During the evaluation of transactions, we observed many documents were not fully completed, such as missing names, dates, or other requested information. Also, check requests must include adequate information to identify the specific purpose of the assistance. Comments such as “victim assistance” or “gas” are insufficient to verify the allowability of the expenditure. Receipts need to be provided showing exactly how the funds were expended. Additionally, the recipient of assistance must be identifiable through some type of coding process to allow traceability of the funds on a need to know basis.

We recommend the YST remedy the questioned costs listed in Exhibit 4 and implement procedures to maintain adequate records.

[3] The net questioned costs eliminates redundant costs (i.e., costs that fell into multiple categories such as not germane to objectives and not approved by the OVW)

Payroll

We tested payroll separately from other direct cost transactions. We sampled one pay period for each of the last four years (2009, 2010, 2011, and 2012), looking at the payroll records for every individual funded by the grant. Since there were only two personnel budgeted under the grant, there were only one or two personnel tested for each year for a total of six payroll transactions tested. Every employee of the YST signs in and out with a timecard. The supervisor uses the timecard to prepare a timesheet which is turned into payroll for processing. We did not find any issues with the pay or fringe benefits, or the calculations and percentages. However, as with the transaction testing, we found documents were often incomplete, leaving out names, dates, or other required information. Additionally, four of the six payroll transactions tested were missing timecards so the time sheets from which the payroll is prepared could not be verified. The payroll clerk could not explain why the timecards were not with the payroll records. We recommend the YST implement procedures to ensure payroll records contain all required documents and that all documentation is accurate and complete.

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 10 percent of the total award amount. Exhibit 6 shows the amounts budgeted and expended through August 6, 2012. Personnel costs exceeded budget by $21,314 but did not exceed the ten percent threshold. The YST could still transfer up to $17,686 between budget categories; however, any more than this amount would require a revised budget and approval from the OVW.

EXHIBIT 6: BUDGET MANAGEMENT AND CONTROL FOR Grant No. 2007-TW-AX-0042

BUDGET CATEGORY	BUDGET CATEGORY AMOUNT	ACTUAL COSTS	AMOUNT UNDER BUDGET[4]	AMOUNT OVER BUDGET
Personnel	$ 224,640	$ 245,954	$ -	$ 21,314
Fringe Benefits	29,203	22,812	(6,391)	-
Travel	41,503	17,324	(24,179)	-
Equipment	5,300	2,798	(2,502)	-
Supplies	16,200	4928	(11,272)	-
Contractual	-	-	-	-
Other	73,150	11,431	(61,719)	-
TOTAL AMOUNT	**$ 389,996**	**$ 305,246**		-
Total Under/Over Budget of Direct Costs			**$(106,064)**	**21,314**
Ten Percent Threshold for 2007-TW-AX-0042				**39,000**
Difference Between Over Budget and Threshold				**$(17,686)**

Source: Award documents and the YST general ledger

Grant Reporting

We reviewed the Financial Reports and Categorical Assistance Progress Reports (Progress Reports) to determine if the required reports had been submitted within the timeframes required by the *OJP Financial Guide* and were accurate.

Financial Reporting

The *OJP Financial Guide, 2006,* states that recipients will report program outlays and revenue quarterly on the SF 269A, Quarterly Financial Status Reports (FSR), no later than 45 days after the last day of each reporting period. Effective the quarter ending October 1, 2009, recipients must report expenditures online using the Federal Financial Report Form (FFR), FFR-425 no later than 30 days after the end of each calendar quarter. As mentioned previously in the "Prior Audits" section pertaining to Single Audits and a site visit by the OVW, there were concerns regarding the timeliness and accuracy of Financial Reports. As a result of these concerns, we expanded our sample of financial reports to include the last 8 quarters for timeliness, and all 20 reports for accuracy.

[4] Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

As shown in Exhibit 7, we reviewed the eight most recent FFRs for the grant and determined that 2 of the eight were late, one by 15 days and one by only 1 day. The last two FFRs were submitted on time. Since there was only one report materially late (15 days) in the past 8 quarters, we determined that financial reporting was generally timely.

EXHIBIT 7: FEDERAL FINANCIAL REPORTS TIMELINESS

No.	Report Period From-To Dates	Report Due Date (MM/DD/YY)	Date Submitted (MM/DD/YY)	Days Late
13	07/01/10 - 09/30/10	10/30/10	10/22/10	0
14	10/01/10 - 12/31/10	01/30/11	01/19/11	0
15	01/01/11 - 03/31/11	04/30/11	04/20/11	0
16	04/01/11 - 06/30/11	07/30/11	07/27/11	0
17	07/01/11 - 09/30/11	10/30/11	11/14/11	15
18	10/01/11 - 12/31/11	01/30/12	01/31/12	1
19	01/01/12 - 03/31/12	04/30/12	04/12/12	0
20	04/01/12 - 06/30/12	07/30/12	07/24/12	0

Source: Grants Management System and OJP Financial Guide

As discussed previously in the *Internal Controls Environment* section, there were four transactions totaling $19,082 for adjustments to indirect costs made on June 19, 2009 that were backdated into previous time periods. These adjustments, along with others, caused the totals of the quarterly expenditure summaries to change after the FSR/FFR had been submitted. These transactions are displayed in Exhibit 8 below.

EXHIBIT 8: BACKDATED INDIRECT COSTS CHARGED TO GRANT

EFFECTIVE DATE	DESCRIPTION	REFERENCE	DEBIT	DATE ENTERED
09/30/08	Update IDC to 33.32% of Direct Expense	2008-088	$ 1,662	06/19/09
11/30/08	Update IDC to 33.32% of Direct Expense	2009-039	4,438	06/19/09
02/28/09	Update IDC to 33.32% of Direct Expense	2009-040	6,527	06/19/09
05/31/09	Update IDC to 33.32% of Direct Expense	2009-042	6,454	06/19/09
	TOTAL[5]		$19,082	

Source: The YST General Ledger

According to the *OJP Financial Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. Also, the award recipients should report program outlays and revenue on a cash or accrual basis in accordance with their accounting system. We reviewed all 20 FSR/FFRs for accuracy. As shown in

[5] Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

Exhibit 9, there were no expenditures to report until FSR number 5, and all FSR/FFRs submitted after funds were obligated were inaccurate in cumulative totals.

EXHIBIT 9: FINANCIAL REPORT ACCURACY

Report No.	Report Period From-To Dates	Cumulative Expense per Report	Cumulative Expenses per General ledger	Cumulative Difference
1	07/01/07 - 09/30/07	$ -	$ -	$ -
2	10/01/07 - 12/31/07	-	-	-
3	01/01/08 - 03/31/08	-	-	-
4	04/01/08 - 06/30/08	-	-	-
5	07/01/08 - 09/30/08	4,989	8,668	3,679
6	10/01/08 - 12/31/08	26,796	32,896	6,100
7	01/01/09 - 03/31/09	46,710	57,494	10,784
8	04/01/09 - 06/30/09	66,118	83,547	17,430
9	07/01/09 - 09/30/09	83,667	103,363	19,696
10	10/01/09 - 12/31/09	109,882	127,312	17,430
11	01/01/10 - 03/31/10	130,842	148,272	17,430
12	04/01/10 - 06/30/10	150,574	168,004	17,430
13	07/01/10 - 09/30/10	170,131	188,822	18,691
14	10/01/10 - 12/31/10	193,467	210,679	17,212
15	01/01/11 - 03/31/11	213,387	230,599	17,212
16	04/01/11 - 06/30/11	236,235	253,447	17,212
17	07/01/11 - 09/30/11	261,805	279,500	17,695
18	10/01/11 - 12/31/11	280,762	298,458	17,695
19	01/01/12 - 03/31/12	294,587	312,282	17,695
20	04/01/12 - 06/30/12	$306,793	$324,488	$17,695

Source: Grants Management System and the YST General Ledger

As seen in the cumulative difference column, every FSR/FFR understated the cumulative expenses as shown in the accounting records. With FSR number 8, the total understatement was $17,430, the majority of which was from the $19,082 in indirect costs backdated into the general ledger on June 19, 2009.

According to the YST Contracts Specialist, the general ledger expense summaries provided to him only contained the "Expenditures Period To Date" which were the expenditures charged to the grant for that specific quarter. To complete the cumulative federal share of expenditures on the FSR/FFR he added the totals for the current quarter to the previous amount reported as the cumulative on the previous FSR/FFR. This action perpetuated the error since the cumulative totals were never verified. To correct the FFRs, the OVW requested that the YST correct and resubmit FSR number 20 with remarks explaining the discrepancy. The YST did not accomplish this revision

and in fact submitted the next FFR (number 21) with the same error. As a result, all of the FSR/FFRs, once expenditures began, were inaccurate, with actual expenses understated. The most recent FFR is understated by $17,695. We recommend the YST implement procedures to ensure the accuracy of the financial reports.

Categorical Assistance Progress Reports

According to the *OJP Financial Guide*, Categorical Assistance Progress Reports (Progress Reports), describing the performance of activities or the accomplishment of objectives, are due semi-annually on January 30 and July 30 for the life of the award. With the October 2009 revision to the *OJP Financial Guide*, Progress Reports must be submitted online through the Grants Management System (GMS). The Semi-Annual Progress Reports for Grants to Indian Tribal Governments Program are pro forma documents online in GMS.

As mentioned previously in the "Prior Audits" section pertaining to Single Audits and a site visit by the OVW, there were concerns about the timeliness and accuracy of reports. As a result of these concerns, we determined that we would expand our sample of progress reports to include all 10 reports for timeliness only. We reviewed the last two semi-annual progress reports for accuracy.

Exhibit 10 shows all of the progress reports were late ranging from 11 to 384 days.

EXHIBIT 10: SEMI-ANNUAL PROGRESS REPORT TIMELINESS

No.	Report Period From - To Dates	Report Due	Date Submitted	Days Late
1	07/01/07 - 12/31/07	01/30/08	02/17/09	384
2	01/01/08 - 06/30/08	07/30/08	02/17/09	202
3	07/01/08 - 12/31/08	01/30/09	03/05/09	34
4	01/01/09 - 06/30/09	07/30/09	09/10/09	42
5	07/01/09 - 12/31/09	01/30/10	08/10/10	192
6	01/01/10 - 06/30/10	07/30/10	08/31/10	32
7	07/01/10 - 12/31/10	01/30/11	10/24/11	267
8	01/01/11 - 06/30/11	07/30/11	10/26/11	88
9	07/01/11 - 12/31/11	01/30/12	02/10/12	11
10	01/01/12 - 06/30/12	07/30/12	08/10/12	11

Source: Grants Management System and OJP Financial Guide

We also reviewed Progress Reports for accuracy and content. 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 (GPRA). The funding 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. Additionally, special condition eight of the award documents states that under GPRA and VAWA 2000, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities. Accordingly, the grantee agrees to submit semi-annual electronic progress reports on program activities and program effectiveness measures. Information that grantees must collect under GPRA and VAWA 2000 includes, but is not limited to: (1) number of victims receiving requested services; (2) number of persons seeking services who could not be served; (3) number and percentage of arrests relative to the number of police responses to domestic violence incidents; and (4) number of tribes receiving grant funding.

In order to verify the information content in Progress Reports, we reviewed the last two Progress Reports submitted and compared it to the GPRA requirements as listed in special condition eight of the award documents. We found that the pro forma reports generally provided appropriate questions and complied with the requirements of GPRA as defined in the special conditions of the award documents.

We asked the YST for support documents for the Progress Reports in order to verify the accuracy of the reports and to verify claims of accomplishment of goals and objectives. However, the YST was unable to provide any documentation of any of the Progress Reports. According to the Acting Program Director, she replaced the previous Program Director in November 2011, and the previous Program Director had written all the prior Progress Reports. However, there were no records available for verifying Progress Reports. The Acting Program Director had to prepare the Progress Report for the period ending December 31, 2011 based on her memory of events for the previous 6 months.

As a result, we were unable to verify any of the information in the Progress Reports, including the GPRA information. We recommend the YST implement procedures to ensure the timely submission of Progress Reports, and to ensure they are accurate and that support documents are collected and maintained.

Program Performance and Accomplishments

As previously mentioned in this report, the Grants to Indian Tribal Governments Program (Tribal Governments Program) has multiple goals and awards funds to:

- Develop and enhance effective plans for tribal governments to respond to violence committed against Indian women;
- Strengthen the tribal criminal justice system;
- Improve services available to help Indian women who are victims of violence;
- Create community education and prevention campaigns;
- Address the needs of children who witness domestic violence;
- Provide supervised visitation and safe exchange programs;
- Provide transitional housing assistance; and
- Provide legal advice and representation to survivors of violence who need assistance with legal issues caused by the abuse or the violence they suffered.

Program Objectives

For grant 2007-TW-AX-0042, we reviewed documents submitted by YST officials in its application for the grant award and determined the established objectives were to:

- Improve services available to victims of domestic violence and sexual assault, and
- Work with the community to create an education and prevention campaign to inform members of the community about domestic violence and sexual assault issues.

Analysis of Program Performance

In order to evaluate program performance, we looked at the original Project Timetable, award special conditions, Progress Reports, and end user interviews. We believe the combination of these items should provide a

reasonable indication of the success of the YST in achieving the stated goals and objectives.

The YST provided a Project Timetable of activities planned to achieve its goals and objectives (See Appendix IV). We believe some of these activities are unclear or vague, so we asked the Acting Program Director for clarification and for the status of the timetable. However, she was unaware of the timetable as she had recently been placed in this position and there was no documentation available from the previous Program Director. According to her best estimates, the timetable activities have not all been completed. It appears these are mostly related to the second objective of increasing community awareness and education about domestic violence. Overall, the timetable did not provide useful insight into the accomplishment and progress of meeting performance goals and objectives.

In reviewing the award special conditions, we confirmed the YST had created a marketing brochure, entered into a Memorandum of Understanding with the South Dakota Network Against Violence and Sexual Assault, and submitted semi-annual Progress Reports. We viewed these as indications that the YST was making progress in achieving its goals and objectives.

We reviewed the Progress Reports to evaluate the progress in achieving performance goals and objectives. However, as mentioned previously in the *"Categorical Assistance Progress Reports"* section, the YST could not provide any support documents for the Progress Reports. While the Progress Reports provided information and statistics indicating continuous success in achieving goals and objectives, without support documentation, we were unable to verify the accuracy of these claims.

And finally, we attempted to interview end users to gain insight into the effectiveness of the program and success in accomplishing goals and objectives. We were only able to interview one victim. The testimonial of the victim indicated that the YST has successfully increased services available to victims of domestic violence and that the services provided were valuable and highly rated. However, more work was needed in the areas of community awareness and education concerning domestic violence.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under grant 2007-TW-AX-0042 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant award, and to determine program performance and accomplishments. We performed detailed transaction testing and examined the YST's accounting records, budget documents, financial and progress reports, and operating policies and procedures. Specifically, we found:

- the accounting system allowed backdating transactions after the end of the reporting period;
- drawdowns were unsupported and exceeded actual expenses by approximately $141,808, resulting in the YST returning $55,409 to the OVW;
- unallowable indirect costs totaling $19,082 and bank charges totaling $160 were reimbursed with grant funds;
- some training events and similar activities were not relevant to the grant goals and objectives resulting in $12,053 in unallowable questioned costs;
- training events and similar activities were not pre-approved by the OVW, as required, resulting in $14,795 in questioned costs;
- a traveler was reimbursed twice for mileage and for hotel bills that were direct billed to another agency resulting in $953 in questioned costs;
- documentation for grant-related transactions was sometimes missing or incomplete resulting in $13,428 in questioned costs;
- timecards to support some payroll records were missing;
- Federal Financial Reports and Financial Status Reports were inaccurate; and
- Progress reports were not submitted timely and were unsupported.

Recommendations

We recommend that the OVW coordinate with the YST to:

1. Implement procedures to ensure that accounting periods are closed out timely and backdating is eliminated.

2. Implement procedures to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.

3. Remedy the $19,242 in unbudgeted indirect costs and bank charges, and implement procedures to ensure unbudgeted items cannot be charged to the grant award.

4. Remedy the $12,053 in unallowable questioned costs for training that was not consistent with the award objectives, and implement procedures to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.

5. Remedy the $14,795 in unallowable questioned costs due to failure to acquire prior OVW approval for training and similar events, and implement procedures to ensure adherence to award special conditions including the pre-approval of training funds by the granting agency.

6. Implement procedures to ensure travel reimbursements only include legitimate expenditures that are not paid by other agencies.

7. Remedy the $13,428 in unsupported questioned costs as a result of missing or incomplete documentation, and implement procedures to ensure all expenditures are properly supported.

8. Implement procedures to ensure timecards accompany all payroll records and are properly maintained.

9. Implement procedures to ensure Federal Financial Reports are properly supported and accurately reflect actual outlays.

10. Implement procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.

APPENDIX I

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of the audit was to examine performance in the key areas of grant management that are applicable and appropriate for the grant under review. Those areas included: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) budget management and control, (5) financial status and progress reports, (6) program performance and accomplishments, (7) grant closeout activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of sub-grantees and contractors, and (12) special grant requirements. We found that grant closeout, property management, matching costs, program income, and monitoring of sub-grantees and contractors were not applicable to this grant audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This was an audit of the Office on Violence Against Women, Grants to Indian Tribal Governments Program, Yankton Sioux Domestic Violence Project, Grant No. 2007-TW-AX-0042. Our audit concentrated on, but was not limited to, the award start date of September 1, 2007, through September 30, 2012. The YST had a total of $349,996 in drawdowns through July 24, 2012.

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

In conducting our audit, we performed sample testing for grant expenditures. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed, such as dollar amounts or expenditure category. Based on findings in the 2011 Single Audit report and the April 2011 OVW site visit report, we selected a sample of all expenditures for Grant No. 2007-TW-AX-0042, except for payroll-related expenditures (payroll and fringe benefits), which were

sampled and tested separately, and indirect costs and bank charges, which were unbudgeted and unallowable. This non-statistical sample design does not allow projection of the test results to the universes from which the samples were selected for payroll related expenditures and indirect costs.

In reviewing the drawdowns and FSR/FFRs, we found the YST had overdrawn the grant by approximately $141,808. As a result, we increased our sampling to check 100% of drawdowns and FSR/FFRs. In addition, we reviewed the timeliness and accuracy of financial reports and progress reports and evaluated performance to grant objectives.

We reviewed the capabilities of FUTEX, the YST's accounting system, and obtained and reviewed a copy of the YST Finance Policies; however, we did not test the reliability of the financial management system as a whole.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS[6]

QUESTIONED COSTS	AMOUNT	PAGE
Unbudgeted Indirect Cost Expenditures	$ 19,082	8
Unbudgeted Bank Charges	160	8
Unallowable Direct Cost Expenditures	12,053	10
Unapproved Direct Cost Expenditures	14,795	10
Unsupported Direct Cost Expenditures	13,428	10
Total Questioned Costs:	**$ 59,518**	9
Minus Duplicated Questioned Costs[7]	**(15,757)**	10
TOTAL DOLLAR-RELATED FINDINGS	**$ 43,761**	11

[6] ***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.

[7] We identified duplicate questioned costs between the unsupported, unapproved, and unallowable categories of questioned costs. Therefore, the unapproved costs of $14,795 due to failure to obtain OVW approval was reduced by $10,803 to $3,993, and the unsupported costs due to documentation issues was reduced by $4,955 to $8,473. Any minor differences in totals were due to rounding.

APPENDIX III

DETAILED QUESTIONED COSTS

Unallowable Costs Resulting From Unbudgeted Expenses

CHECK #	DATE	DESCRIPTION	QC	DUPLICATE
N/A	11/13/09	Bank Charges	$ 20.00	No
N/A	11/19/09	Bank Charges	20.00	No
N/A	11/20/09	Bank Charges	20.00	No
N/A	12/10/09	Bank Charges	20.00	No
N/A	12/14/09	Bank Charges	40.00	No
N/A	02/28/11	Commercial State Bank	20.00	No
N/A	04/29/11	Commercial State Bank	20.00	No
N/A	09/30/08	Update IDC to 33.32% of Direct Expenses	1662.32	No
N/A	11/30/08	Update IDC to 33.32% of Direct Expenses	4438.48	No
N/A	02/28/09	Update IDC to 33.32% of Direct Expenses	6526.89	No
N/A	05/31/09	Update IDC to 33.32% of Direct Expenses	6454.33	No
TOTAL UNALLOWABLE RESULTING FROM UNBUDGETED EXPENSES			**$19,242.02**	

Unallowable Costs Resulting From Direct Transaction Testing

CHECK #	DATE	DESCRIPTION	QC	DUPLICATE
1499	10/03/08	Child Abduction Training	$ 58.50	No
1517	12/23/08	Reimburse Travel	347.50	No
1535	03/25/09	Per Diem	175.50	No
1535	03/25/09	Motel	319.96	No
1535	03/25/09	Mileage	353.10	No
1536	03/25/09	Per Diem	175.00	No
1536	03/25/09	Motel	319.96	No
1554	07/21/09	Taxi	18.00	No
1554	07/21/09	Per Diem	288.00	No
1554	07/21/09	Other Travel Expense	67.00	No
1554	07/21/09	Mileage	136.40	No
1559	08/14/09	Taxi	46.00	No
1559	08/14/09	Other	23.00	No
1560	08/14/09	Per Diem	14.40	No
1570	09/18/09	Per Diem	42.49	No
1575	10/02/09	Per Diem	96.00	No
1575	10/02/09	Motel	347.16	No
1576	10/02/09	Per Diem	96.00	No
1576	10/02/09	Motel	347.16	No
1576	10/02/09	Mileage	353.10	No
1577	10/02/09	Per Diem	96.00	No
1577	10/02/09	Motel	347.16	No
1577	10/02/09	Mileage	353.10	No
1591	12/14/09	Per Diem	229.50	No
1591	12/14/09	Motel	518.40	No
1591	12/14/09	Mileage	334.40	No
1656	01/19/11	Meals Reimbursement Sioux Falls, SD	31.69	No
1700	06/16/11	Per Diem	213.50	No
1700	06/16/11	Motel	258.42	No
1700	06/16/11	Mileage	633.42	No

1701	07/06/11	Rental Assistance	$ 200.00	No
1704	07/26/11	Per Diem	127.50	No
1704	07/26/11	Motel	242.00	No
1704	07/26/11	Mileage	334.40	No
1705	07/26/11	Per Diem	127.50	No
1707	08/03/11	Transitional Housing	435.00	No
1714	08/24/11	Mileage	368.52	No
1716	08/24/11	Motel	403.30	No
1716	08/24/11	Mileage	0.82	No
1717	08/30/11	Domestic Assist/Transit. Housing	250.00	No
1723	10/05/11	Domestic Assist/Tran. Housing	650.00	No
1729	10/13/11	Domestic. Assist. Trans. Housing	240.00	No
1730	10/13/11	Domestic Assist. Trans. Housing	802.00	No
1737	11/23/11	Majestic View Townhome Apartments	418.00	No
1741	12/20/11	Per Diem	69.00	No
1743	12/21/11	Per Diem	138.00	No
1744	12/22/11	Per Diem	103.50	No
1745	12/22/11	Per Diem	103.50	No
1752	01/12/12	Per Diem	69.00	No
1771	03/29/12	Mileage	158.73	No
1776	05/08/12	Per Diem	69.00	No
1792	07/31/12	Meals - Sioux Falls, SD	103.50	No
TOTAL UNALLOWABLE COSTS FROM TRANSACTION TESTING			**$12,053.09**	

Unapproved Direct Cost Expenditures

CHECK #	DATE	DESCRIPTION	QC	DUPLICATE
1499	10/03/08	Child Abduction Training	$ 58.50	Duplicate
1535	03/25/09	Per Diem	175.50	Duplicate
1535	03/25/09	Motel	319.96	Duplicate
1535	03/25/09	Mileage	353.10	Duplicate
1536	03/25/09	Per Diem	175.00	Duplicate
1536	03/25/09	Motel	319.96	Duplicate
1554	07/21/09	Taxi	18.00	Duplicate
1554	07/21/09	Per Diem	288.00	Duplicate
1554	07/21/09	Other Travel Expense	67.00	Duplicate
1554	07/21/09	Mileage	136.40	Duplicate
1556	08/10/09	Per Diem	198.00	No
1556	08/10/09	Motel	236.20	No
1556	08/10/09	Mileage	334.40	No
1557	08/10/09	Per Diem	198.00	No
1557	08/10/09	Motel	472.40	No
1559	08/14/09	Taxi	46.00	Duplicate
1559	08/14/09	Other	23.00	Duplicate
1575	10/02/09	Per Diem	96.00	Duplicate
1575	10/02/09	Motel	347.16	Duplicate
1576	10/02/09	Per Diem	96.00	Duplicate
1576	10/02/09	Motel	347.16	Duplicate
1576	10/02/09	Mileage	353.10	Duplicate
1577	10/02/09	Per Diem	96.00	Duplicate
1577	10/02/09	Motel	347.16	Duplicate
1577	10/02/09	Mileage	353.10	Duplicate

1591	12/14/09	Per Diem	$ 229.50	Duplicate
1591	12/14/09	Motel	518.40	Duplicate
1591	12/14/09	Mileage	334.40	Duplicate
1636	11/09/10	Per Diem	178.50	No
1636	11/09/10	Mileage	307.50	No
1637	11/09/10	Per Diem	178.50	No
1637	11/09/10	Mileage	307.50	No
1639	11/19/10	Per Diem	(51.00)	No
1639	11/19/10	Motel	93.00	No
1640	11/29/10	Per Diem	115.00	No
1640	11/29/10	Mileage	125.00	No
1641	11/29/10	Per Diem	115.00	No
1641	11/29/10	Mileage	125.00	No
1653	01/19/11	Per Diem	179.00	No
1653	01/19/11	Motel	107.06	No
1653	01/19/11	Mileage	308.55	No
1654	01/19/11	Per Diem	179.00	No
1654	01/19/11	Motel	107.06	No
1655	01/19/11	Per Diem	179.00	No
1700	06/16/11	Per Diem	213.50	Duplicate
1700	06/16/11	Motel	258.42	Duplicate
1700	06/16/11	Mileage	633.42	Duplicate
1701	07/06/11	Rental Assist.	200.00	Duplicate
1704	07/26/11	Per Diem	127.50	Duplicate
1704	07/26/11	Motel	242.00	Duplicate
1704	07/26/11	Mileage	334.40	Duplicate
1705	07/26/11	Per Diem	127.50	Duplicate
1707	08/3/11	Transitional Housing	435.00	Duplicate
1714	08/24/11	Mileage	368.52	Duplicate
1716	08/24/11	Motel	403.30	Duplicate
1716	08/24/11	Mileage	0.82	Duplicate
1717	08/30/11	Domestic Assist/Transit. Housing	250.00	Duplicate
1723	10/05/11	Domestic. Assist. Trans. Housing	650.00	Duplicate
1729	10/13/11	Domestic. Assist. Trans. Housing	240.00	Duplicate
1730	10/13/11	Domestic Assist. Trans. Housing	802.00	Duplicate
1737	11/23/11	Majestic View Town. Apts.	418.00	Duplicate
TOTAL UNALLOWABLE COSTS RESULTING FROM NO OVW APPROVAL			**$14,795.45**	

Unsupported Costs Resulting From Direct Transaction Testing

CHECK #	DATE	DESCRIPTION	QC	DUPLICATE
1497	10/01/08	Reimburse Travel/Credit Card	$ 207.72	No
1498	10/03/08	Travel Sioux Falls: Court Hiring	100.00	No
1533	03/04/09	Reimburse Travel	248.24	No
1535	03/25/09	Motel	319.96	Duplicate
1536	03/25/09	Motel	319.96	Duplicate
1554	07/21/09	Taxi	18.00	Duplicate
1554	07/21/09	Per Diem	288.00	Duplicate
1554	07/21/09	Other Travel Expense	67.00	Duplicate
1554	07/21/09	Mileage	136.40	Duplicate
1559	08/14/09	Taxi	46.00	Duplicate
1559	08/14/09	Other	23.00	Duplicate

1560	08/14/09	Mileage	$ 162.25	No
1577	10/02/09	Motel	347.16	Duplicate
1614	06/08/10	Per Diem	51.31	No
1614	06/08/10	Mileage	150.00	No
1624	09/01/10	Assistance	50.00	No
1635	11/05/10	Asst.	350.00	No
1637	11/09/10	Per Diem	178.50	Duplicate
1648	12/15/10	INV#7003	46.00	No
1648	12/15/10	INV#7003	46.50	No
1650	12/15/10	Deposit Rent	850.00	No
1652	01/18/11	Travel Assist.	100.00	No
1657	01/19/11	Bus Ticket Client	202.00	No
1678	04/07/11	Emergency Assist.	250.00	No
1679	04/13/11	Personal Hygiene Supplies	250.00	No
1681	04/13/11	Emergency Shelter	268.60	No
1683	04/28/11	Emergency Services	250.00	No
1690	05/19/11	7Days Victim/Child	497.70	No
1692	06/01/11	Need Assist.	450.00	No
1694	06/01/11	Need Assist.	250.00	No
1697	06/08/11	Wireless Computer Router	150.00	No
1699	06/09/11	Office Supplies	300.00	No
1701	07/06/11	Rental Assist.	200.00	Duplicate
1704	07/26/11	Mileage	315.54	Duplicate[8]
1706	07/27/11	DV Assist.	232.92	No
1707	08/03/11	Transitional Housing	435.00	Duplicate
1709	08/17/11	INV#FOLO#116404 Sarah Hare	355.50	No
1710	08/17/11	Domestic Violence Assistance	188.12	No
1711	08/17/11	Assist.	300.00	No
1712	08/22/11	Motel	231.00	No
1713	08/24/11	Domestic Violence Assist.	188.13	No
1716	08/24/11	Motel	318.00	Duplicate
1717	08/30/11	Domestic Assist/Transit. Housing	250.00	Duplicate
1723	10/05/11	Domestic. Assist. Trans. Housing	650.00	Duplicate
1729	10/13/11	Domestic. Assist. Trans. Housing	240.00	Duplicate
1730	10/13/11	Domestic Assist. Trans. Housing	802.00	Duplicate
1756	02/03/12	Court Hearing-2/14/2012	150.00	No
1756	02/03/12	Court Hearing-2/10/2012	150.00	No
1757	02/03/12	Furnace Installation	466.67	No
1760	02/09/12	Other Travel Expense	75.00	No
1760	02/09/12	Motel	355.32	No
1766	03/07/12	Assist.	100.00	No
1779	05/17/12	Emergency Assist.	300.00	No
1787	07/17/12	Emergency Assist.	150.00	No
TOTAL UNSUPPORTED FROM TRANSACTION TESTING			**13,427.50**	
GRAND TOTAL UNALLOWABLE AND UNSUPPORTED			**59,518.06**	
GRAND TOTAL WITHOUT OVERLAPS			**$43,760.76**	

Source: The YST General Ledger Expenses Records

[8] Invoice 1704 for $340.40 was questioned in total as unapproved. Of the total invoice $315.54 represents the portion of this invoice that was unsupported.

APPENDIX IV

PROJECT TIMETABLE

Activity	Prior to Award	Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. The YST Child Victim Advocate meets with Tribal Council regarding governing board													
2. Potential governing board members are contacted													
3. Funding awarded													
4. The YST Child Victim Advocate meets with SD Network													
5. Governing board meetings (monthly)													
6. Governing board develops job descriptions for domestic violence advocates													
7. The YST advertises for domestic violence advocate positions													
8. Equipment purchased													
9. The YST and governing board conduct applicant interviews													
10. The YST conducts applicant background checks													
11. The YST hires staff													
12. The YST Child Victim Advocate provides basic employee training													
13. SD Network provides multi-disciplinary domestic violence training													
14. Governing board meets with educators to develop curriculum													
15. Incorporation of domestic violence issues into school curriculums													
16. Governing board, Braveheart, Sacred Circle develop education outreach component													
17. Governing board, SD Network, others develop public marketing component													
18. Begin production of public marketing material													
19. Internal project evaluation													

Source: The YST Project Narrative
Note: Numbering added by auditor for easier reference.

APPENDIX V

THE YANKTON SIOUX TRIBE RESPONSE TO THE DRAFT REPORT

Box 1153
Wagner, SD 57380

(605) 384-3804 / 384-3641
FAX (605) 384-5896

OFFICERS:
Thurman Cournoyer, Sr., Chairman
Ida Ashes, Vice Chairwoman
Glenford Sully, Secretary
Leo O'Connor, Treasurer

COUNCIL:
Jason Cooke
Nicholas Cournoyer
Gail Hubbeling
Brenda Zephier
Jody Allen Zephier

March 15, 2013

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

Dear Mr. Sheeren:

In response to your Audit of the Office On Violence Against Women, Grants to Indian Tribal Governments Program, Grant No. 2007-TW-AX-0042 totaling $389,996, awarded to the Yankton Sioux Tribe (YST), Wagner, South Dakota dated February 22, 2013, the following is the official response to the recommendations.

1. Implement procedures to ensure that accounting periods are closed out timely and post-dating is eliminated.

   Agreed. On January 1, 2013, a new accounting software system (Sage MIP Fund Accounting) was implemented that gives us the ability to close periods (month, quarter, and year). Closing the periods will eliminate the possibility of post-dating transactions. We are currently in the process of completing the conversion into the new system and will be using this feature.

2. Implement procedures to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.

   Agreed. Our current procedure is that the Contracts Specialist receives weekly reports from the Payroll Officer and Accounts Payable Clerk indicating the amount of drawdown funds necessary to support program expenditures for that week. The Contracts Specialist then submits a drawdown request to the funding agency. Supporting documentation is attached to each drawdown request.

3. Remedy the $19,242 in unbudgeted indirect costs and bank charges, and implement procedures to ensure unbudgeted items cannot be charged to grant award.

Agreed. An adjusting journal entry was made 9/30/12 to reverse these expenses from the Violence Against Women program. Expenditure reports are currently being reviewed by the Director, Comptroller, Administrative Officer, and Contracts Specialist to ensure unbudgeted items are not charged to the grant award.

4. Remedy the $12,053 in unallowable questioned costs for training that was not consistent with the award objectives, and implement procedures to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.

   Agreed. The YST Travel Coordinator will ensure that proper approval from the funding agency has been obtained prior to issuing travel advance checks. Such documentation will be attached to check requests.

5. Remedy the $3,993 in unallowable questioned costs due to failure to acquire prior OVW approval for training and similar events, and implement procedures to ensure adherence to award special conditions including the preapproval of training funds by the grant.

   Agreed. The YST Travel Coordinator will ensure that proper approval from the funding agency has been obtained prior to issuing travel advance checks. Such documentation will be attached to check requests.

6. Implement procedures to ensure travel reimbursements only include legitimate expenditures that are not paid by cooperative partners.

   Agreed. The YST Travel Coordinator is currently reviewing travel expense reports to verify their accuracy and to ensure that only legitimate expenditures are included. Any expenditures deemed illegitimate are to be paid for by the employee.

7. Remedy the $8,473 in unsupported questioned costs as a result of missing or incomplete documentation, and implement procedures to ensure all expenditures are properly supported.

   Agreed. Program Directors must submit a check request with supporting documentation attached to the Accounts Payable Clerk. The Accounts Payable Clerk does not process a check without proper documentation and signatures. Program Directors have been instructed to carefully monitor program expenditures to ensure that they fall within the scope of the approved budget and include supporting documentation.

8. Implement procedures to ensure timecards accompany all payroll records and are properly maintained.

   Agreed. Employee timecards are maintained by Human Resources and the Payroll department. Timecards are attached to weekly payroll reports as supporting documentation and filed.

9. Implement procedures to ensure Federal Financial Reports are properly supported and accurately reflect actual outlays.

Agreed. The Contracts Specialist is filing all Federal Financial Reports. FFR's are prepared using supporting documentation obtained from the accounting system and attached to the reports.

10. Implement procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.

    Agreed. Program Directors, Monitors and the Administrative Officer will be working together more closely to ensure that progress reports and reporting deadlines are maintained. In addition, our new accounting software has an optional module (Grant Administration) that we will be looking into. It is our understanding that the module has the capability of tracking all of our grant awards and reporting due dates to help us better monitor them.

Sincerely,

Thurman Cournoyer Sr

Thurman Cournoyer, Chairman
YANKTON SIOUX TRIBE

THE OVW RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice
Office on Violence Against Women
Washington, D.C. 20530

March 19, 2013

MEMORANDUM

TO: David M. 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: Response to the Draft Audit Report, Yankton Sioux Tribe

This memorandum is in response to your correspondence dated February 22, 2013 transmitting the above draft Follow-Up and Review Investigation report for the Yankton Sioux Tribe. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **ten** recommendations, **$8,473** in unsupported costs, **$19,242** in unbudgeted costs, and **$16,046** in unallowable cost. The following is our analysis of the audit recommendations.

1) **Implement procedures to ensure that accounting periods are closed out timely and post-dating is eliminated.**

   We agree with this recommendation. We will coordinate with the Yankton Sioux Tribe to obtain a copy of procedures implemented to ensure that accounting periods are closed out timely and post-dating is eliminated.

2) **Implement procedures to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to obtain a copy of procedures implemented to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.

3) **Remedy the $19,242 in unbudgeted indirect costs and bank charges, and implement procedures to ensure unbudgeted items cannot be charged to grant award.**

We agree with the recommendation. We will coordinate with the Yankton Sioux Tribe to remedy $19,242 in unbudgeted indirect costs and bank charges identified in your report and also to obtain a copy of procedures implemented to ensure unbudgeted items cannot be charged to grant awards.

4) **Remedy the $12,053 in unallowable question costs for training that was not consistent with the award objectives, and implement procedures to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.**

We agree with the recommendation. We will coordinate with the Yankton Sioux Tribe to remedy $12,053 in unallowable questioned costs identified in your report and also to obtain a copy of procedures implemented to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.

5) **Remedy the $3,993 in unallowable questioned costs due to failure to acquire prior OVW approval for training and similar events, and implement procedures to ensure adherence to award special conditions including the preapproval of training fund by the grant.**

We agree with the recommendation. We will coordinate with the Yankton Sioux Tribe to remedy $3,993 in unallowable questioned costs identified in your report and also to obtain a copy of procedures implemented to ensure adherence to award special conditions including the preapproval of training fund by the grant.

6) **Implement procedures to ensure travel reimbursements only include legitimate expenditures that are not paid by cooperative partners.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to obtain a copy of procedures to ensure that travel reimbursements only include legitimate expenditures that are not paid by cooperative partners.

7) **Remedy the $8,473 in unsupported questioned costs as a result of missing or incomplete documentation, and implement procedures to ensure all expenditures are properly supported.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to remedy $8,473 in unsupported questioned costs and also to obtain a copy of procedures to ensure that all expenditures are properly supported.

8) **Implement procedures to ensure timecards accompany all payroll records and are properly maintained.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to obtain a copy of procedures to ensure that timecards accompany all payroll records and are properly maintained.

9) **Implement procedures to ensure Federal Financial Reports are properly supported and accurately reflect actual outlays.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to obtain a copy of procedures to ensure that Federal Financial Reports are properly supported and accurately reflect actual outlays.

10) **Implement procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.**

We agree with the recommendation. We will coordinate with Yankton Sioux Tribe to obtain a copy of procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.

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

cc Angela Wood
Accounting Officer
Office on Violence Against Women (OVW)

Louise M. Duhamel, Ph.D.
Acting Assistant Director
Audit Liaison Group
Justice Management Division

Kimberly Woodard
Program Specialist
Office on Violence Against Women

APPENDIX VII

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

The OIG provided a draft of this audit report to the Office on Violence Against Women (OVW) and the Yankton Sioux Tribe (YST). The OVW's and the YST's responses are incorporated in Appendices V and VI of this final report. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation Number:

1. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure that accounting periods are closed out timely and back-dating is eliminated. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures implemented to ensure that accounting periods are closed out timely and back-dating is eliminated.

   This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure that accounting periods are closed out timely and back-dating is eliminated.

2. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures implemented to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.

   This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure drawdowns are supported and funds drawn are the minimum needed for disbursements to be made immediately or within 10 days.

3. **Resolved.** Both YST and OVW concurred with our recommendation to remedy the $19,242 in unbudgeted indirect costs and bank charges, and implement procedures to ensure unbudgeted items cannot be charged to the grant award. The OVW stated in its response they will coordinate with the YST to remedy $19,242 in unbudgeted indirect

costs and bank charges identified in the draft report and also to obtain a copy of procedures implemented to ensure unbudgeted items cannot be charged to the grant award.

This recommendation can be closed when we receive evidence that the YST has remedied the $19,242 in unbudgeted indirect costs and bank charges, and implement procedures to ensure unbudgeted items cannot be charged to the grant award.

4. **Resolved.** Both YST and OVW concurred with our recommendation to remedy the $12,053 in unallowable questioned costs for training that was not consistent with the award objectives, and implement procedures to ensure all expenditures are within the award budget and applicable to the overall goals and objectives. The OVW stated in its response they will coordinate with the YST to remedy $12,053 in unallowable questioned costs identified in the draft report and also to obtain a copy of procedures implemented to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.

   This recommendation can be closed when we receive evidence that the YST has remedied the $12,053 in unallowable questioned costs for training that was not consistent with the award objectives, and implement procedures to ensure all expenditures are within the award budget and applicable to the overall goals and objectives.

5. **Resolved.** Both YST and OVW concurred with our recommendation to remedy the $3,993 in unallowable questioned costs due to failure to acquire prior OVW approval for training and similar events, and implement procedures to ensure adherence to award special conditions including the preapproval of training funded by the grant. The OVW stated in its response they will coordinate with the YST to remedy $3,993 in unallowable questioned costs identified in the draft report and also to obtain a copy of procedures implemented to ensure adherence to award special conditions including the preapproval of training funds by the granting agency.

   This recommendation can be closed when we receive evidence that the YST has remedied the $3,993 in unallowable questioned costs due to failure to acquire prior OVW approval for training and similar events, and implement procedures to ensure adherence to award special conditions including the pre-approval of training funds by the granting agency.

6. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure travel reimbursements only include legitimate expenditures that are not paid by cooperative partners. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures to ensure that travel reimbursements only include legitimate expenditures that are not paid by cooperative partners.

   This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure travel reimbursements only include legitimate expenditures that are not paid by cooperative partners.

7. **Resolved.** Both YST and OVW concurred with our recommendation to remedy the $8,473 in unsupported questioned costs as a result of missing or incomplete documentation, and implement procedures to ensure all expenditures are properly supported. The OVW stated in its response they will coordinate with the YST to remedy $8,473 in unsupported questioned costs and also to obtain a copy of procedures to ensure that all expenditures are properly supported.

   This recommendation can be closed when we receive evidence that the YST has remedied the $8,473 in unsupported questioned costs as a result of missing or incomplete documentation, and implement procedures to ensure all expenditures are properly supported.

8. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure timecards accompany all payroll records and are properly maintained. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures to ensure that timecards accompany all payroll records and are properly maintained.

   This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure timecards accompany all payroll records and are properly maintained.

9. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure Federal Financial Reports are properly supported and accurately reflect actual outlays. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures to ensure that Federal Financial Reports are properly supported and accurately reflect actual outlays.

This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure Federal Financial Reports are properly supported and accurately reflect actual outlays.

10. **Resolved.** Both YST and OVW concurred with our recommendation to implement procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports. The OVW stated in its response they will coordinate with the YST to obtain a copy of procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.

This recommendation can be closed when we receive evidence that the YST has implemented procedures to ensure support documentation for Progress Reports is collected and properly maintained, and ensure the timely submission of reports.