



**AUDIT OF THE
OFFICE ON VIOLENCE AGAINST WOMEN
COOPERATIVE AGREEMENT AWARDED TO THE
CITY OF SPOKANE, WASHINGTON**

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

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN COOPERATIVE AGREEMENT AWARDED TO THE CITY OF SPOKANE, WASHINGTON

EXECUTIVE SUMMARY

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of a \$380,823 cooperative agreement (2008-EW-AX-K009) that the Office on Violence Against Women (OVW), awarded to the City of Spokane, Washington (Spokane).¹ The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including personnel, fringe benefits, indirect costs, and accountable property; (5) matching; (6) monitoring of sub-recipients and contractors; (7) budget management; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity.

According to the award application, Spokane proposed using the cooperative agreement funds to support a multidisciplinary team that would respond to cases involving elder abuse by providing counseling and support to victims through the criminal justice process.² The team's goals included enhancing services for victims of elder abuse, as well as improving the identification, investigation, prosecution, and adjudication of elder abuse cases. However, our audit revealed that elder abuse investigations actually decreased during the award period even though Spokane experienced an increase in reports of elder abuse during the same period. In discussing this issue with Spokane officials, we identified a concern that elder abuse investigations may be becoming backlogged due to limited personnel assigned to those investigations. We recommend that OVW work with Spokane to identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.

We also identified deficiencies regarding Spokane's internal controls, drawdowns, expenditures, accountable property records, and compliance with award requirements. Specifically, we questioned \$17,368 of Spokane's award expenditures, including \$15,268 related to non-OVW sponsored

¹ The cooperative agreement was awarded to the City of Spokane, Washington, and was administered by the Spokane Police Department. For uniformity, we refer to the awardee as Spokane throughout the report, unless stated otherwise.

² The multidisciplinary team included the Spokane Police Department, the Spokane County Prosecuting Attorney, charitable non-profit organizations, and a law school.

seminars attended without prior OVW approval, which violated award rules. We also identified \$1,573 in unsupported travel and training costs, as well as a \$527 car rental cost unrelated to the OVW award project. Spokane also erroneously drew down \$22,076 in OVW funds and did not identify the error until 3.5 months later at which time it corrected the drawdown. Further, we reported concerns with Spokane's management of accountable property, controls over its approved Master Vendor List, and Federal Financial Reports. Spokane also paid a contractor without adequate documentation of work completed, but as a result of our audit requested and received adequate supporting documentation for those expenditures.

The results of our audit are discussed in detail in the Findings and Recommendations section of this report. Our report contains nine recommendations. We discussed the results of our audit with Spokane officials and have included their comments in the report, as applicable. The audit objective, scope, and methodology are discussed in Appendix I. The Schedule of Dollar-related Findings is found in Appendix II.

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INTRODUCTION

The U.S. Department of Justice Office of the Inspector General (OIG), Audit Division, has completed an audit of a \$380,823 cooperative agreement (2008-EW-AX-K009) that the Office on Violence Against Women (OVW), awarded to the City of Spokane, Washington (Spokane).¹ The purpose of this award was to provide opportunities for Spokane to develop and strengthen effective responses to violence against women, and to increase training for police, prosecutors, and the judiciary in recognizing, investigating, and prosecuting instances of neglect, exploitation, domestic violence, and sexual assault against individuals 50 years or older. As of December 2012, Spokane had expended \$199,459 (52 percent) of the award.

EXHIBIT 1 OVW COOPERATIVE AGREEMENT AWARDED TO SPOKANE

AWARD	AWARD START DATE	AWARD END DATE ²	AWARD AMOUNT
2008-EW-AX-K009	10/01/08	09/30/12	\$ 380,823
Total			\$ 380,823

Source: OVW

The purpose of our audit was to determine whether costs claimed under Award 2008-EW-AX-K009 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including personnel, fringe benefits, indirect costs, and accountable property; (5) matching; (6) monitoring of sub-recipients and contractors; (7) budget management; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that

¹ The cooperative agreement was awarded to the City of Spokane, Washington, and was administered by the Spokane Police Department. For uniformity, we refer to the awardee as Spokane throughout the report, unless stated otherwise.

² The Award End Date includes all approved time extensions.

program income, indirect costs, and matching were not applicable to this award.

Background

Spokane is located in the County of Spokane, Washington, approximately 280 miles east of Seattle. Spokane is one of the largest cities in the state with a population of 208,916, while Spokane County has a population of 471,221.

OVW provides national leadership in reducing violence against women through its implementation of the Violence Against Women Act.³ Created in 1995, OVW administers financial and technical assistance to communities across the country. The mission of OVW 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. By forging state, local, and tribal partnerships among police, prosecutors, judges, victim advocates, health care providers, faith leaders, and others, OVW grant programs help provide victims with the protection and services they need to pursue safe and healthy lives, while simultaneously enabling communities to hold offenders accountable for their violence.

OVW awarded a cooperative agreement to Spokane from its Enhanced Training and Services to End Violence and Abuse of Women in Later Life Program. To accomplish the purpose of the cooperative agreement, Spokane created a multidisciplinary team that would respond to cases involving elder abuse. This team was to provide counseling and support to victims, while simultaneously walking them through the criminal justice process. The multidisciplinary team included the Spokane Police Department, the Spokane County Prosecuting Attorney, charitable non-profit organizations, and a law school.

OIG Audit Approach

We tested Spokane's compliance with what we consider to be the most important conditions of the cooperative agreement. Unless otherwise stated in our report, the criteria we audited against are contained in the Office of Justice Programs Financial Guide (*OJP Financial Guide*), award documents, Code of Federal Regulations (C.F.R.), and Office of Management and Budget (OMB) Circulars. Specifically, we tested:

³ Pub. L. No. 103-322 (1994).

- **Internal Control Environment** – to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard the funds awarded to Spokane and ensure compliance with the terms and conditions of the award.
- **Drawdowns** – to determine whether drawdowns were adequately supported and if Spokane was managing receipts in accordance with federal requirements.
- **Expenditures** – to determine whether costs charged to the award, including payroll and fringe benefits were accurate, adequately supported, allowable, reasonable, and allocable.
- **Monitoring Sub-recipients and Contractors** – to determine that contractors have adequate internal controls.
- **Budget Management** – to determine whether there were deviations between the amounts budgeted and the actual costs for each category.
- **Reporting** – to determine if the required financial and programmatic reports were submitted in a timely manner and accurately reflected award activity.
- **Additional Award Requirements** – to determine whether Spokane complied with award guidelines, special conditions, and solicitation criteria.
- **Program Performance and Accomplishments** – to determine whether Spokane made a reasonable effort to accomplish stated objectives.
- **Post End Date Activity** – to determine whether Spokane submitted its final progress and financial reports in a timely manner.

The results of our audit are discussed in detail in the Findings and Recommendations section of this report. Our report contains nine recommendations. We discussed the results of our audit with Spokane officials and have included their comments in the report, as applicable. The audit objective, scope, and methodology are discussed in Appendix I. The Schedule of Dollar-related Findings is found in Appendix II.

FINDINGS AND RECOMMENDATIONS

We found that Spokane did not comply with essential award requirements in seven of the nine areas that we tested. Specifically, we found that elder abuse investigations actually decreased during the award period even though Spokane experienced an increase in reports of elder abuse during the same period. We also questioned \$17,368 of Spokane's award expenditures, including \$15,268 related to non-OVW sponsored seminars. We identified \$1,573 in unsupported travel and training costs, as well as a \$527 car rental cost unrelated to the OVW award project. Spokane also erroneously drew down \$22,076 in OVW funds and did not identify the error until 3.5 months later at which time it corrected the drawdown. Our audit also revealed deficiencies in Spokane's accountable property records, controls over its approved Master Vendor List, and Federal Financial Reports.⁴

Internal Control Environment

We reviewed Spokane's policies and procedures, Single Audit Report, and financial management system to assess its risk of noncompliance with laws, regulations, guidelines, and terms and conditions of the award. We also interviewed individuals from Spokane's grant management, accounting, and finance staff regarding internal controls and processes related to personnel, purchasing, and accounts payable functions. Finally, we observed the financial management system, as a whole, to further assess risk.

Single Audit

According to OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a Single Audit conducted. We reviewed Spokane's most recent Single Audit for

⁴ Our prior audit of an OJP grant to Spokane also disclosed deficiencies with its accountable property records, controls over its approved Master Vendor List, and Federal Financial Reports.

U.S. Department of Justice Office of the Inspector General, *Audit of the Office of Justice Programs Edward Byrne Memorial Justice Assistance Grant Program Grants Awarded to the City of Spokane, Washington*, Audit Report GR-90-13-007 (September 2013), 7, 10-12.

fiscal year 2010 which was issued September 26, 2011, and noted that the independent auditors issued an unqualified opinion. Independent auditors reported no deficiencies in the design or operation of the internal controls over major federal programs. In addition, there were no deficiencies that were considered material weaknesses.

Financial Management System

The *OJP Financial Guide* requires that all award recipients “establish and maintain adequate accounting systems and financial records to accurately account for funds awarded to them.” In addition, the *OJP Financial Guide* requires that the accounting system provide adequate maintenance of financial data to enable planning, control, and measurement. Finally, it requires that award recipients separately account for each award and not commingle funds.

Overall, we found that Spokane adequately maintained award-related financial records and data in accordance with the *OJP Financial Guide*. Spokane utilized the Mitchell Humphrey Financial Management System II (FMS II). Based on our review of award-related transactions, we found that Spokane utilized FMS II to accurately account for award-related receipts and expenditures. Further, we found that award-related transactions, such as receipts and expenditures, were separately tracked from other funding.

However, we noted two internal control weaknesses. As discussed in more detail in the Drawdown section of this report, we identified a breakdown in controls that did not allow Spokane to immediately identify an erroneous drawdown. Also, we noted a weakness regarding Spokane’s Master Vendor List. Specifically, the accountant who processes accounts payable also has access to the Master Vendor List. This access could allow the accountant to falsify vendor addresses thereby allowing for payment of fictitious invoices with OVW funds. We discussed this weakness with Spokane and it believes internal controls are in place to mitigate the risk as the accountant has limited access to the Master Vendor List and another individual is responsible for reconciling the City’s operating bank account once payment has been made. Nevertheless, we recommend that OVW ensure that Spokane strengthen its internal controls over the Master Vendor List by limiting who has access to the list in order to minimize the potential risk of unauthorized changes to vendor information.⁵

⁵ Our prior audit of an OJP grant to Spokane also disclosed this deficiency related to controls over Spokane’s approved Master Vendor List. OIG, *Audit of the Office of Justice Programs Edward Byrne Memorial Justice Assistance Grant Program Grants Awarded to the City of Spokane, Washington*, 7.

Drawdowns

The *OJP Financial Guide*, Part III, Chapter 1 generally requires that recipients time their drawdown request to ensure that federal cash-on-hand is the minimum needed for disbursements to be made immediately or within 10 days. According to a Spokane official, drawdowns were made as reimbursements and based on the previous quarter's expenditures.

We tested 13 drawdowns by comparing the drawdown amounts to the expenditures recorded in the general ledger. As illustrated in Exhibit 2, we noted variances between the cumulative amounts that were drawn down and the actual cumulative expenditures. Most significantly, we identified an incorrect drawdown of \$22,076 that was received on December 22, 2009. According to a Spokane official, the \$22,076 drawdown was supposed to be drawn down from another grant, but was mistakenly drawn down from the OVW cooperative agreement. As a result, for a period of approximately 6 months, there was a balance of receipts exceeding actual expenditures. This was contrary to the requirement that drawdowns be expended within 10 days of receipt. In addition, we learned that the erroneous drawdown of \$22,076 was recorded to another general ledger. Therefore, it was not immediately identified as an error and continued to be uncorrected for a period of approximately 3.5 months. We view this as a breakdown in controls. Controls should have been in place to allow Spokane to immediately identify the error and provide an opportunity to make corrections. When we discussed this issue with a Spokane official, she stated that when they learned of the error, they implemented procedures that included reconciling receipts to expenditures in order to avoid a similar instance in the future. Regarding the erroneous drawdown, given that it was only one instance and Spokane took action to correct the related breakdown in controls, we do not consider it an exception. Spokane recognized this issue and plans to put together a set of written procedures to reconcile drawdown requests to actual expenditures. We recommend that OVW ensure Spokane formalize its new procedures that involve the reconciliation of award receipts to actual expenditures before funds are drawn down.

**EXHIBIT 2
DRAWDOWN HISTORY**

No.	DATE OF DRAWDOWN	AMOUNT DRAWN DOWN	CUMULATIVE DRAWDOWNS	CUMULATIVE EXPENDITURES	CUMULATIVE DIFFERENCES
1	01/14/09	\$ 1,623	\$ 1,623	\$ 1,623	\$ 0
2	04/09/09	7,016	8,639	4,754	3,885
3	05/12/09	15,624	24,263	27,751	-3,488
4	10/02/09	26,410	50,673	51,808	-1,135
5	12/22/09	22,076	72,749	63,821	8,928
6	01/20/10	15,064	87,813	67,709	20,104
7	03/05/10	10,207	98,020	70,876	27,144
8	06/17/10	3,314	101,334	99,210	2,124
9	10/26/10	21,271	122,605	122,606	-1
10	02/04/11	14,852	137,457	140,929	-3,472
11	07/22/11	19,223	156,680	158,857	-2,177
12	10/20/11	13,662	170,342	171,833	1,491
13	02/01/12	5,685	176,027	176,064	-37

Source: OIG Analysis of Spokane's drawdowns and general ledger

Expenditures

As of December 2012, Spokane had expended \$199,459 (52 percent) of the award. We judgmentally selected a sample of 25 transactions totaling \$46,603 in August 2011 from a universe of \$74,386 in expenditures to determine if costs charged to the award were allowable and in compliance with terms and conditions. The expenditures we selected included costs related to salaries, travel, training, supplies, and contractor-related expenditures. We reviewed supporting documentation including purchase orders, invoices, receipts, and check copies. Our review found transactions that were unallowable, unauthorized, and unsupported that we discuss in more detail below.

Unallowable Expenditures

According to the special conditions for the award, "the grantee must receive prior approval from OVW before using OVW grant funds to attend any training, workshops, or conferences not sponsored by OVW." During our review, we identified six expenditures totaling \$15,268 for Spokane employees to attend non-OVW sponsored seminars for which Spokane did not obtain prior OVW approval. According to Spokane officials, they were not aware of the requirement to obtain prior OVW approval. We considered these expenditures as unallowable. Therefore, we questioned \$15,268 in travel and training expenditures and we recommend that OVW ensure Spokane remedies the \$15,268 in unauthorized training expenditures.

Additionally, we identified a \$527 rental car expenditure that was not related to the OVW cooperative agreement. According to a Spokane official, the car rental fee was inadvertently billed to the OVW award when it should have been billed to the Spokane Law Enforcement Information System Department. As of September 2012, Spokane had not corrected this error. As a result, we questioned the \$527 travel expenditure as unallowable and we recommend that OVW ensure Spokane remedies the unallowable amount.

Unsupported Expenditures

According to 2 C.F.R. Part 225, costs must be necessary, reasonable, and adequately documented. Our expenditure testing found that 24 of the 25 transactions we reviewed were properly supported. However, we noted a \$1,573 expenditure related to travel and training that was not adequately supported. During our audit, we requested from Spokane supporting documentation but none was provided. A Spokane official informed us that they would take another look at the \$1,573 expenditure and provide supporting documentation if available. Therefore, we questioned the \$1,573 expenditure as inadequately supported and we recommend that OVW ensure Spokane remedies the questioned expenditure.

Personnel

According to the *OJP Financial Guide*, charges made to federal awards for salaries, wages, and fringe benefits should be based on payroll records approved by responsible officials and the charges must be in accordance with the generally accepted practices of the organization. In particular, 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 effort reports, such as timesheets.

We judgmentally selected a sample of payroll expenditures to determine if these expenditures were allowable, reasonable, and adequately supported for both of the part-time Spokane personnel whose personnel costs were charged to the cooperative agreement. Specifically, we selected two non-consecutive payroll periods totaling \$3,191 (\$2,969 in salaries and \$222 in fringe benefits). We found that the sample transactions tested were accurately recorded, properly authorized, and adequately supported.

Accountable Property

According to the *OJP Financial Guide*, property records should be maintained accurately and include the source of the property and the

award number. We reviewed Spokane's property records and determined that the records did not include information as required by the *OJP Financial Guide*. Specifically, Spokane did not identify an OVW-funded laptop computer as federally funded or include the award number in its property records as required. Although we brought this to Spokane's attention during our fieldwork, it had not updated its property records. We learned that Spokane plans to update its inventories to identify equipment that is federally funded along with the corresponding award number. We recommend that OVW ensure that Spokane maintain accountable property inventory records that identify all award-funded property as federally funded and include the award number.⁶

Monitoring Contractors

We noted during our expenditures testing that Spokane had reimbursed one of its contractors, the YWCA, for travel, lodging and training, and contract salary expenses. Although the expenses were authorized, appropriate supporting documentation was not provided to Spokane before Spokane paid YWCA. During our audit, Spokane resolved this issue by requesting and receiving required invoices and timesheets from the YWCA. Further, Spokane has informed us that it now ensures contractors provide adequate supporting documentation, such as invoices and timesheets, before reimbursement is made. We recommend that OVW ensure that Spokane finalize this requirement by establishing a written policy and procedures to ensure its contractors provide adequate supporting documentation when requesting reimbursements.

Budget and Management

The *OJP Financial Guide* and 28 C.F.R. Part 66 require prior approval from the awarding agency if the movement of dollars between budget categories exceeds 10 percent of the total award amount for awards over \$100,000. Based on our review of the award package and solicitation, we determined that the award exceeded the \$100,000 threshold and was subject to the 10 percent rule. Our analysis of the budget as compared to actual expenditures found that there were no budget deviations that required OVW approval.

⁶ Our prior audit of an OJP grant to Spokane also disclosed this deficiency related to identification of federally funded equipment. OIG, *Audit of the Office of Justice Programs Edward Byrne Memorial Justice Assistance Grant Program Grants Awarded to the City of Spokane, Washington*, 10.

Reporting Requirements

According to the *OJP Financial Guide*, award recipients are required to submit quarterly Federal Financial Reports (FFR) and semi-annual Progress Reports. These reports describe the status of funds, project accomplishments, and other pertinent information. We reviewed the FFRs and Progress Reports submitted by Spokane to determine whether the reports were accurate and submitted in a timely manner.

Federal Financial Reports

The *OJP Financial Guide* states that quarterly FFRs are due no later than 30 days after the end of each quarter and final FFRs are due within 90 days after the end date of the award. We reviewed the last four FFRs, as of the June 30, 2012, reporting period, to determine if Spokane submitted these reports on time. As illustrated in Exhibit 3, we found that Spokane submitted all reports in a timely manner.

**EXHIBIT 3
FEDERAL FINANCIAL REPORT HISTORY**

No.	REPORTING PERIOD	REPORT DUE DATE	DATE SUBMITTED	DAYS LATE
1	07/01/11 - 09/30/11	10/30/11	10/19/11	0
2	10/01/11 - 12/31/11	01/30/12	01/30/12	0
3	01/01/12 - 03/31/12	04/30/12	04/27/12	0
4	04/01/12 - 06/30/12	07/30/12	07/17/12	0

Source: OIG analysis of FFRs

We also reviewed the FFRs to determine whether they contained accurate financial information related to actual expenditures and program income for the awards. The *OJP Financial Guide* states that award recipients must report program outlays and revenue on a cash or accrual basis in accordance with their accounting system. We compared the four most recently submitted FFRs as of June 30, 2012, to Spokane's accounting records.

Our review noted that expenditures were not accurately reported on two of the four FFRs we reviewed. As shown in Exhibit 4, we found discrepancies of \$60 and \$4,995 between the expenditure amounts reported on Spokane's FFRs and its accounting records. According to a Spokane official, the differences were due to a \$60 expenditure that was ultimately not charged to the award, but was included on the FFR, and a \$4,995 award-related expense it chose not to claim for reimbursement. Even though Spokane may have decided not to obtain reimbursement for some of the award-related expenditures, it was nevertheless required to include those

expenditures on its FFRs. Therefore, we recommend that OVW ensure Spokane accurately includes all award-related expenditures on its FFRs, regardless of whether it received reimbursement for those expenditures.⁷

**EXHIBIT 4
ACCURACY OF SPOKANE'S FEDERAL FINANCIAL REPORTS**

No.	REPORTING PERIOD	FFR EXPENDITURES	ACCOUNTING RECORDS' EXPENDITURES	DIFFERENCE
1	07/01/11 - 09/30/11	\$ 15,183	\$ 15,123	\$ 60
2	10/01/11 - 12/31/11	5,745	5,745	0
3	01/01/12 - 03/31/12	382	5,377	-4,995
4	04/01/12 - 06/30/12	2,647	2,647	0

Source: OIG analysis of FFRs

Progress Reports

According to the *OJP Financial Guide*, grantees are required to submit Progress Reports on semi-annual basis within 30 days of the end of the reporting periods, which are June 30 and December 31. Progress Reports are used to describe the performance of activities or the accomplishment of objectives as identified in the award application. As of June 30, 2012, we evaluated the timeliness and accuracy of the Progress Reports for the last 2 years.

As indicated in Exhibit 5, Spokane submitted all four of its Progress Reports in a timely manner. Additionally, our review found that the reports were accurate.

**EXHIBIT 5
PROGRESS REPORT HISTORY**

No	REPORTING PERIOD	REPORT DUE DATE	DATE SUBMITTED	DAYS LATE
1	07/01/10 - 12/31/10	01/30/11	01/05/11	0
2	01/01/11 - 06/30/11	07/30/11	07/15/11	0
3	07/01/11 - 12/31/11	01/30/12	01/30/12	0
4	01/01/12 - 06/30/12	07/30/12	07/26/12	0

Source: OIG Analysis of Progress Reports

⁷ Our prior audit of an OJP grant to Spokane also disclosed a deficiency related to the accuracy of FFRs. OIG, *Audit of the Office of Justice Programs Edward Byrne Memorial Justice Assistance Grant Program Grants Awarded to the City of Spokane, Washington, 10-12.*

Additional Award Requirements

We reviewed Spokane's compliance with specific program requirements in the award solicitation as well as the special conditions included in its award. We determined that Spokane violated an award special condition that specified that prior approval from OVW was required before using funds to attend non-OVW sponsored training and conferences. This issue was previously discussed in the Expenditures section of this report.

Program Performance and Accomplishments

According to award documentation, the goal of the cooperative agreement that was awarded to Spokane was to provide training opportunities to criminal justice professionals and cross-training to victim service organizations, governmental agencies, courts, law enforcement, and non-profit, non-governmental organizations serving victims of elder abuse. In addition, the intent of the cooperative agreement was to provide and enhance services for victims of elder abuse, create a collaborative community response to victims of elder abuse, and review and establish policies and protocols to aid in improving the identification, investigation, prosecution, and adjudication of elder abuse cases.

In order to accomplish these objectives, Spokane planned to work with partners to develop a multidisciplinary approach to address elder abuse in its community. Partners included the Spokane Police Department, the Spokane County Prosecuting Attorney, the YWCA of Spokane, Adult Protective Services, Elder Services, and the Gonzaga University School of Law. Spokane called this partnership the Vulnerable Adult Linked Organizational Response (VALOR) project. Spokane also provided VALOR with three major goals: (1) educating the vulnerable adult population and those who serve them in recognizing and preventing victimizations; (2) quickly respond and triage an emergent situation to stem further victimization; and (3) develop long-term remedies to reduce the potential for further victimization and repair harm done by previous victimization.

Our audit found that Spokane was fulfilling its planned actions and thereby making progress in achieving the objectives of its cooperative agreement with OVW. For example, Spokane and its VALOR partners established a Memorandum of Understanding which detailed agreed upon roles and responsibilities in responding to elder abuse within the community. The VALOR team also created a guide for law enforcement that provided detailed information and definitions, indicators, and a list of some of the more prevalent types of elder abuse. Additionally, Spokane's law

enforcement personnel and the other members of VALOR attended training seminars and workshops regarding elder abuse.

The YWCA of Spokane, a VALOR partner, played a significant role in providing resources to elder abuse victims. Spokane contracted with the YWCA of Spokane to provide support services to elder abuse victims through an elder abuse victim's advocate. Services provided by the advocate included counseling and liaison services with other VALOR partners and community organizations for services such as shelter and legal assistance. Between January 2009 and May 2012, the YWCA provided counseling and assistance to 476 individuals with elder abuse issues.

Perhaps most importantly, according to the Spokane Police Department, incidents of reported elder abuse increased each year from 2009 to 2011, as illustrated in Exhibit 6. According to a VALOR program official, the increase in reporting may indicate the community's increased awareness of elder abuse, which prompted greater reporting.

**EXHIBIT 6
REPORTED INCIDENTS OF ELDER ABUSE⁸**

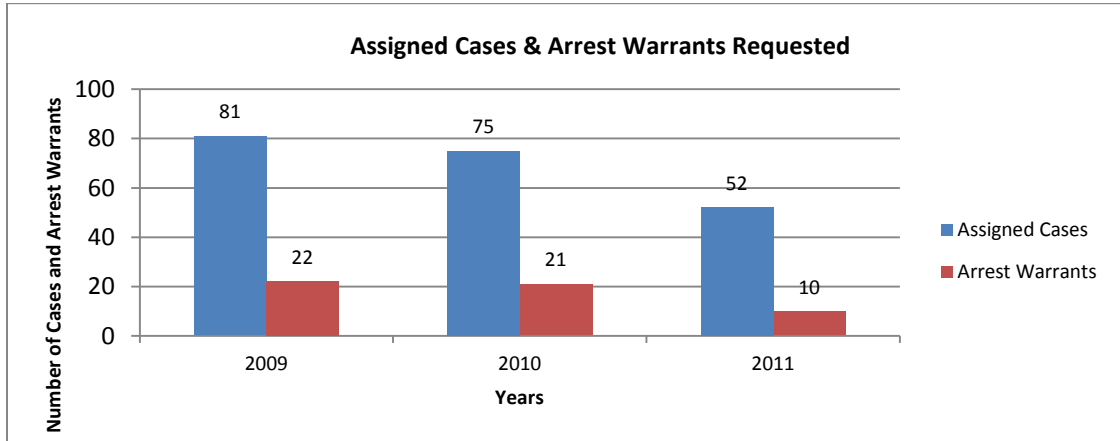
TYPE OF INCIDENT	2009	2010	2011	TOTAL	PERCENTAGE OF TOTAL
Physical Abuse Crimes	291	361	401	1,053	18
Financial Crimes	1,240	1,528	1,818	4,586	80
Sex Crimes	31	27	31	89	2
Total	1,562	1,916	2,250	5,728	100

Source: Spokane Police Department

However, one area that did not show improvement was the investigation of incidents of elder abuse. As previously mentioned, reported cases of elder abuse increased during the award period. Yet Spokane statistics indicate that the investigations of elder abuse cases decreased during the same period as shown in Exhibit 7.

⁸ Incidents of elder abuse were classified into three broad categories: physical abuse crimes, financial crimes, and sex crimes. Physical abuse crimes include domestic violence, domestic violence order violations, and stalking. Financial crimes include fraud, forgery, and theft. Sex abuse crimes included incidents of rape and other sex-related offenses.

**EXHIBIT 7
INVESTIGATIONS AND WARRANT REQUESTS
FOR ELDER ABUSE CASES⁹**



Source: Spokane Police Department

According to a program official, the Spokane Police Department assigned one detective to work full-time on elder crimes and the VALOR project. According to the detective, his responsibilities as a VALOR Program official, which included administrative duties, community training, and providing assistance to outside agencies, limited the amount of time available for investigations and this was reflected in the decrease in the number of investigative cases. Therefore, we recommend that OVW work with Spokane to identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.

Post End Date Activity

According to the award documentation, this OVW award was to end on September 30, 2012. We reviewed the post end date activity, including submission of the final progress and financial reports and found no reportable exceptions. Additionally, we found no indication of late drawdowns.

Conclusion

We found that Spokane did not comply with essential award requirements in seven of the nine areas we tested. Specifically, we identified an internal control weakness whereby the accountant responsible

⁹ The Spokane Police Department assigned one detective to elder crimes and to work full-time on the VALOR project. The Spokane Police Department later added a fraud detective to work part-time on elder victimization cases. Exhibit 7 reflects only those cases assigned to the full-time detective from 2009 - 2011.

for processing accounts payable also had access to the Master Vendor List Accounts listing. Additionally, Spokane did not have controls in place to prevent or immediately identify an erroneous \$22,076 drawdown from another grant, which resulted in drawdowns exceeding expenditures for 6 months. We also determined that Spokane expended \$15,268 for training seminars that were not authorized by OVW, as required. Further, we identified \$527 in travel expenditures that were not related to the award and \$1,573 in training costs that were not adequately supported with documentation, as required. Spokane also failed to identify on its property records those pieces of accountable property that were purchased with OVW funds. Spokane did not ensure that its contractor provided adequate supporting documentation for expenditures that were being claimed for reimbursement. Moreover, Spokane did not always include all the award-related expenditures on its Federal Financial Reports. Finally, we noted that Spokane's elder abuse investigations decreased during the award period despite significant increased reporting of elder abuse incidents.

Recommendations

We recommend that OVW:

1. Ensure that Spokane strengthens its internal controls over the Master Vendor List by limiting who has access to the list in order to minimize the potential risk of unauthorized changes to vendor information.
2. Ensure that Spokane formalizes its new procedures that involve the reconciliation of award receipts to actual expenditures before funds are drawn down.
3. Remedy the \$15,268 in questioned costs related to unauthorized training expenditures.
4. Remedy the \$527 in questioned costs related to unallowable travel expenses.
5. Remedy the \$1,573 in questioned costs related to unsupported training and travel expenditures.
6. Ensure that Spokane maintains accountable property inventory records that identify all award-funded property as federally funded and include the award number.

7. Ensure that Spokane establishes written policy and procedures to ensure its contractors provide adequate supporting documentation when requesting reimbursements.
8. Ensure that Spokane accurately includes all award-related expenditures on its FFRs, regardless of whether it received reimbursement for those expenditures.
9. Work with Spokane to identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.

APPENDIX I

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of our audit was to determine whether costs claimed under Award 2008-EW-AX-K009 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including personnel, fringe benefits, indirect costs, and accountable property; (5) matching; (6) monitoring of sub-recipients and contractors; (7) budget management; (8) reporting; (9) additional award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, indirect costs, and matching were not applicable to this award.

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.

Unless otherwise specified, our audit covered, but was not limited to, activities that occurred between the start of the Award 2008-EW-AX-K009 in October 2008 through June 2012. Further, the criteria we audited against are contained in the *OJP Financial Guide*, Code of Federal Regulations, OMB Circulars and specified program guidance, such as award documents.

In conducting our audit, we performed sample testing in four areas, which included expenditures, personnel costs, financial reports, and Progress Reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the award we reviewed, such as dollar amounts or expenditure categories. We reviewed a judgmentally selected sample of transactions that were recorded in Spokane's award-related accounting records as of June 2012. This included 25 expenditures related to Award 2008-EW-AX-K009. Additionally, we selected a judgmental sample of 2 non-consecutive payroll periods and we tested 4 Progress Reports, 4 FFRs, and 13 drawdowns.

We did not test internal controls for Spokane taken as a whole or specifically for the award administered by Spokane. An independent

Certified Public Accountant conducted an audit of Spokane's financial statements. The results of this audit were reported in the Single Audit Report that accompanied the Independent Auditors' Report for the year ending 2010. The Single Audit Report was prepared under the provisions of OMB Circular A-133. We reviewed the independent auditor's assessment to identify control weaknesses and significant noncompliance issues related to Spokane or the federal programs it was administering, and assessed the risks of those findings on our audit.

In addition, we reviewed the timeliness and accuracy of FFRs, Progress Reports, and evaluated performance to award objectives. However, we did not test the reliability of the financial management system as a whole, nor did we place reliance on computerized data or systems in determining whether the transactions we tested were allowable, supported, and in accordance with applicable laws, regulations, and guidelines. We also performed limited testing of information obtained from OJP's Grant Management System (GMS) and found no discrepancies. We thus have reasonable confidence in the GMS data for the purposes of our audit. However, the OIG has not performed tests of the GMS system specifically, and we therefore cannot definitively attest to the reliability of GMS data.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS

	AMOUNT (\$)	PAGE
QUESTIONED COSTS:		
Unsupported Costs		
Inadequately supported expenditure	\$ 1,573	8
	<hr/>	
Subtotal of Unsupported Costs	\$ 1,573	
Unallowable Costs		
Unauthorized training & travel expenditures	\$ 15,268	7
Unallowable travel expenditure	\$527	8
	<hr/>	
Subtotal of Unallowable Costs	\$ 15,795	
	<hr/>	
TOTAL QUESTIONED COSTS¹⁰	\$17,368	
	<hr/>	
TOTAL DOLLAR RELATED FINDINGS	\$17,368	
	<hr/> <hr/>	

¹⁰ **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.

APPENDIX III

CITY OF SPOKANE, WASHINGTON RESPONSE TO THE DRAFT AUDIT REPORT



City of Spokane
808 W. Spokane Falls Blvd.
Spokane, Washington 99201-3313
(509) 625-6091

Jennifer Stapleton, CGMS
Grants Management & Financial
Assistance

November 18, 2013

David Gaschke
Regional Audit Manager
U.S. Department of Justice
Office of Inspector General
San Francisco Regional Audit Office
1200 Bayhill Drive, Suite 201
San Bruno, CA 94066

Re: Response to Draft Audit Report
Cooperative Agreement No. 2008-EW-AX-K009

Dear Mr. Gaschke:

Please consider this letter as the formal written response from the City of Spokane to your draft audit report on the Office of Violence Against Women (OVW) cooperative agreement number 2008-EW-AX-K009.

Recommendation No. 1: Master Vendor List

The City of Spokane agrees that it should strengthen its internal controls over the master vendor list to minimize the potential risk of unauthorized changes to vendor information. The City is in the process of enhancing its segregation of duties in the Accounting Department to remove the Accountant II's ability to add or modify data in the master vendor list. The new procedures will be implemented and documented prior to December 31, 2013.

Recommendation No. 2: Reconciliation Prior to Draw Downs

The City of Spokane agrees that it needs to improve its internal controls over its grant draw downs. In fact, the City recently passed an ordinance establishing a new central Department of Grants Management & Financial Assistance. The Director of this department was hired from another local government with a highly successful track record of implementing enhanced internal controls and oversight of grants and financial assistance awards formalized in an adopted policy and procedures. This will improve our overall management and compliance with grants and other awards of financial assistance.

We are in the process of drafting a centralized Grants & Financial Assistance Policy and Procedures at the City which will be in place and distributed prior to March 31, 2014. This new policy and procedures will include a provision for the central review and

David Gaschke
Regional Audit Manager
U.S. Department of Justice
Office of Inspector General
November 18, 2013
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approval of financial and program reports and draw down requests, including the reconciliation of award receipts to actual expenditures before funds are drawn down.

In order to immediately strengthen our internal controls over our existing Department of Justice awards, this procedure has been implemented for these awards effective November 12, 2013.

Recommendation No. 3: Questioned Costs – Training

The City of Spokane will contact the Department of Justice, OVW, regarding the \$15,268 in questioned costs for unauthorized training expenditures prior to December 31, 2013 for further instruction. The City understands the special conditions that OVW places on its grant-supported travel and will ensure that there is an internal secondary review and approval for compliance with these special conditions in future OVW grant awards. This will be documented in formal policy and procedures to be adopted and distributed prior to March 31, 2014.

Recommendation No. 4: Questioned Costs – Travel

The City of Spokane will contact the Department of Justice, OVW, regarding the \$527 questioned costs for travel expenditures prior to December 31, 2013 for further instruction. We agree that this expense should not have been charged to this grant and our enhanced internal controls will ensure that this does not happen in the future.

Recommendation No. 5: Questioned Costs – Unsupported Training/Travel

The City of Spokane has appropriate supporting documentation for the \$1,573 in questioned training and travel expenditures. Of this total, supporting documentation identifies \$1,404 in allowable expenditures. The documentation was provided to the auditor after the close of the audit period and the City will provide the documentation to OVW prior to December 31, 2013 for further instruction.

Recommendation No. 6: Property Records

The City's new Grants & Financial Assistance Management Policy & Procedures to be adopted prior to March 31, 2014, will contain a provision to ensure that property purchased with Federal funds is properly identified in the property inventory records of the City of Spokane and its subrecipients. Enhancements will ensure that a description of the property; serial or other identifying number; source of funding; titleholder; acquisition date; cost; percentage of Federal participation in the cost; location; condition and use; and ultimate disposition information is included. A new grants administrator position in the central Department of Grants Management & Financial Assistance will oversee compliance with this procedure and perform routine quality assurance audits.

David Gaschke
Regional Audit Manager
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Recommendation No. 7: Contractor Reimbursements

The City of Spokane will require contractors provide adequate supporting documentation when requesting reimbursements. This requirement will be established in the new Grants & Financial Assistance Management Policy & Procedures as well as included as a requirement in all subrecipient contracts. A subrecipient contract template is under development by the central Grants Management & Financial Assistance Department in conjunction with the Legal Department and will be implemented January 1, 2014.

Recommendation No. 8: Reporting of Award-Related Expenditures

As indicated in our response to Recommendation No. 2, the City of Spokane is implementing a new policy and procedures that will include a provision for the central review and approval of financial and program reports and draw down requests, including the reconciliation of award receipts to actual expenditures before funds are drawn down.

In support of this effort, the City is also reviewing enhancements to its accounting system and processes that will provide for improved segregation and tracking of expenditures and revenues associated with multiple funding sources but related to an overall project.

Recommendation No. 9: Program Accountability

The City of Spokane is currently in the process of reviewing central grant tracking and management systems that will provide for increased oversight and review throughout the lifecycle of a grant project. One of our system requirements includes the ability to more effectively monitor and report on program performance. Additionally, we are implementing an enhanced oversight process when identifying and pursuing grant funding for projects to ensure that grant programs align with identified strategic initiatives of the City.

We intend to have a central grant tracking and management system in use by January 1, 2014.

David Gaschke
Regional Audit Manager
U.S. Department of Justice
Office of Inspector General
November 18, 2013
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A final copy of the adopted policy and procedures referenced throughout this response will be provided to OVW no later than March 31, 2014.

Thank you for providing us the opportunity to respond to your report. If I can provide any additional information or address any additional questions or concerns, please contact me at your convenience at (509) 625-6091, or jstapleton@spokanecity.org.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer P. Stapleton". The signature is written in a cursive style with a large initial "J".

Jennifer Stapleton, CGMS

Cc: Frank Straub, Chief of Police
Tim Schwering, Director of Strategic Initiatives
Gavin Cooley, Chief Financial Officer
Pam Dolan, Accounting Director
Office of Violence Against Women, DOJ

APPENDIX IV

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT



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

December 4, 2013

MEMORANDUM

TO: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office

FROM: Bea Hanson *BH*
Acting Director
Office on Violence Against Women

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

SUBJECT: Response to the Draft Audit Report – Audit of the Office on
Violence Against Women Grants Awarded to the City of Spokane,
Washington

This memorandum is in response to your correspondence dated October 30, 2013 transmitting the above draft audit report for the City of Spokane. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains nine recommendations and \$17,368 in questioned costs. The Office on Violence Against Women (OVW) is committed to working with the grantee to address each recommendation and bring them to a close as quickly as possible. The following is our analysis of the audit recommendations.

- 1) **Ensure that Spokane strengthens its internal controls over the Master Vendors List by limiting who has access to the list in order to minimize the potential risk of unauthorized changes to vendor information.**

OVW does agree with this recommendation. We will coordinate with the Spokane to ensure that they strengthen its internal controls over the Master Vendors List by limiting

who has access to the list in order to minimize the potential risk of unauthorized changes to vendor information.

- 2) **Ensure that Spokane formalizes its new procedures that involve the reconciliation of award receipts to actual expenditures before funds are drawn down.**

OVW does agree with the recommendation. We will coordinate with the Spokane to ensure that they formalize its new procedures that involve the reconciliation of award receipts to actual expenditures before funds are drawn down.

- 3) **Remedy the \$15,268 in questioned costs related to unauthorized training expenditures.**

OVW does agree with the recommendation. We will coordinate with the Spokane to remedy the \$15,268 in questioned costs related to unauthorized training expenditures.

- 4) **Remedy the \$527 in questioned costs related to unauthorized travel expenses.**

OVW does agree with the recommendation. We will coordinate with Spokane to remedy the \$527 in questioned costs related to unauthorized travel expenses.

- 5) **Remedy the \$1,573 in questioned costs related to unsupported training and travel expenses.**

OVW does agree with the recommendation. We will coordinate with the Spokane to remedy the \$1,573 in questioned costs related to unsupported training and travel expenses.

- 6) **Ensure that Spokane maintains accountable property inventory records that identify all award-funded property as federally funded and include the award number.**

OVW does agree with the recommendation. We will coordinate with Spokane to ensure that they maintain accountable property inventory records that identify all award-funded property as federally funded and include the award number.

- 7) **Ensure that Spokane establishes written policy and procedures to ensure its contractors provide adequate supporting documentation when requesting reimbursements.**

OVW does agree with the recommendation. We will coordinate with Spokane to ensure that they establish written policy and procedures to ensure its contractors provide adequate supporting documentation when requesting reimbursements.

- 8) **Ensure that Spokane accurately includes all award-related expenditures on its FFR's, regardless of whether it received reimbursement for those expenditures.**

OVW does agree with the recommendation. We will coordinate with Spokane to ensure that they accurately include all award-related expenditures on its FFR's, regardless of whether it received reimbursement for those expenditures.

- 9) **Work with Spokane to identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.**

OVW does agree with the recommendation. We will coordinate with Spokane to ensure that we identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.

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

Janice Greene
Program Specialist
Office on Violence Against Women

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

The Department of Justice Office of the Inspector General (OIG) provided a draft of this audit to the City of Spokane, Washington (Spokane) and the Office on Violence Against Women (OVW). Spokane's and OVW's responses are incorporated in appendices III and IV of this final report, respectively. The following provides the OIG analysis of the responses and a summary of OVW's actions necessary to close the report.

Recommendation Number:

- 1. Resolved.** OVW concurred with our recommendation that it ensure that Spokane strengthens its internal controls over the Master Vendor List by limiting who has access to the list in order to minimize the potential risk of unauthorized changes to vendor information.

In its response, Spokane agreed that its internal controls over the Master Vendor List should be strengthened to minimize the potential risk of unauthorized changes to vendor information. Spokane stated that it was in the process of enhancing its segregation of duties in the Accounting Department, and that the Accountant II's ability to add or modify data in the master Vendor List will be removed. Spokane also noted that it expects the new procedures to be implemented and documented prior to December 31, 2013.

This recommendation can be closed when OVW provides evidence that Spokane's new procedures strengthen internal controls over who has access to its Master Vendor List to minimize risk of unauthorized changes to vendor information.

- 2. Resolved.** OVW concurred with our recommendation that it ensure that Spokane formalizes its new procedures that involve the reconciliation of award receipts to actual expenditures before funds are drawn down.

In its response, Spokane agreed that it needs to improve its internal controls over its grant drawdowns. Additionally, Spokane stated that it recently passed an ordinance establishing a new central Department of Grants Management and Financial Assistance, and has hired an individual to manage this department. Spokane is currently drafting Grants and

Financial Assistance Policy and Procedures that will require review and approval of financial and program reports and drawdown requests, as well as a requirement to reconcile all reward receipts to actual expenditures before funds are drawn down. Spokane expected its Grants & Financial Assistance Policy and Procedures to be completed by March 31, 2014.

This recommendation can be closed when OVW provides evidence that Spokane's Grants & Financial Assistance Policy and Procedures addresses the requirement to reconcile award receipts to expenditures before funds are drawn down.

- 3. Resolved.** OVW concurred with our recommendation that Spokane remedy the \$15,268 in questioned costs related to unauthorized training expenditures.

In its response, Spokane stated that it understands the Special Conditions that OVW placed on grant-supported travel and will ensure that there is an internal secondary review and approval for compliance with special conditions in future OVW grant awards. Additionally, Spokane stated that this new requirement will be documented in formal policy and procedures scheduled to be implemented by March 31, 2014. Furthermore, Spokane stated that it will contact OVW regarding the \$15,268 in questioned costs before December 31, 2013, for further instruction.

This recommendation can be closed when OVW provides evidence that (1) Spokane has remedied the \$15,268 in unauthorized training expenditures and (2) Spokane's policy and procedures have been implemented to require a secondary review and approval of grant-related travel for compliance with the grant's special conditions.

- 4. Resolved.** OVW concurred with our recommendation that Spokane remedy the \$527 in questioned costs related to unallowable travel expenses.

In its response, Spokane agreed that the \$527 questioned expense should not have been charged to the OVW grant, and noted that enhanced internal controls will ensure that this does not occur in the future. Additionally, Spokane stated that it would contact OVW regarding the \$527 in questioned costs for further instruction.

This recommendation can be closed when OVW provides evidence that Spokane has remedied the \$527 unauthorized travel expenditures.

- 5. Resolved.** OVW concurred with our recommendation that Spokane remedy the \$1,573 in questioned costs related to unsupported training and travel expenditures.

In its response, Spokane stated it has appropriate supporting documentation for \$1,573 in questioned training and travel expenditures, of which it believes \$1,404 is allowable. Spokane also stated that it would provide OVW with the documentation prior to December 31, 2013, for further instruction.

This recommendation can be closed when OVW provides evidence that Spokane has remedied the \$1,573 in questioned training and travel expenditures.

- 6. Resolved.** OVW concurred with our recommendation that it ensure that Spokane maintains accountable property inventory records that identify all award-funded property as federally funded and include the award number.

In its response, Spokane stated its new Grants and Financial Assistance Management Policy and Procedures are to be adopted by March 31, 2014, and will contain a provision to ensure that property purchased with federal funds is properly identified in the property inventory records of the city and its sub-recipients. Enhancements will ensure that the property description, serial or other identifying number, source of funding, titleholder, acquisition date, cost, percentage of Federal participation in the cost, location, condition and use, as well as ultimate disposition of the property are included. Further, Spokane noted that its' new grants administrator will oversee compliance of this procedure, and will perform routine quality assurance audits.

This recommendation can be closed when OVW provides evidence that Spokane's new policy requires that inventory records identify all grant-funded property as federally funded and include the grant number.

- 7. Resolved.** OVW concurred with our recommendation that it ensure that Spokane establish written policy and procedures to ensure its contractors provide adequate supporting documentation when requesting reimbursements.

In its response, Spokane stated its' Grants and Financial Assistance Management Policy and Procedures manual will require contractors to provide adequate supporting documentation when requesting reimbursements, and the requirement will be applicable to sub-recipients

as well. Additionally, a sub-recipient contract template is being developed by the Grants Management and Financial Assistance Department in conjunction with Spokane's Legal Department and it expects to implement it on January 1, 2014.

This recommendation can be closed when OVW provides evidence that Spokane has established policy and procedures to ensure contractors provide adequate supporting documentation when requesting reimbursements.

- 8. Resolved.** OVW concurred with our recommendation that it ensure that Spokane accurately includes all award-related expenditures on its FFRs, regardless of whether it received reimbursement for those expenditures.

In its response, Spokane stated it is implementing new policies and procedures that will include a provision for a central review and approval of financial and program reports, and drawdown requests, including the reconciliation of award receipts to actual expenditures before funds are drawn down. Further, Spokane is reviewing enhancements to its accounting system and processes that will improve segregation and the tracking of expenditures and revenues associated with multiple funding sources, but related to an overall project.

This recommendation can be closed when OVW provides evidence that Spokane has established policies and procedures to ensure that it includes all award-related expenditures on its FFRs, regardless of whether it received reimbursement for those expenditures.

- 9. Resolved.** OVW concurred with our recommendation that it work with Spokane to identify solutions to ensure that investigations related to crimes against the elderly are not neglected as a result of other program activity.

In its response, Spokane stated it is currently in the process of reviewing central grant tracking and management systems that will provide for increased oversight throughout the grant's lifecycle. Spokane has required that the system effectively monitor and report on program performance. Additionally, Spokane is implementing an enhanced oversight process when identifying and pursuing grant funding for projects to ensure that grant programs align with identified strategic initiatives. The central grant tracking and management system is to be in use by January 1, 2014.

This recommendation can be closed when OVW provides evidence that Spokane has implemented solutions to ensure investigations related to crimes against the elderly are not neglected as a result of other program activity.