



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



**Audit of the Office on Violence
Against Women Tribal Domestic
Violence and Sexual Assault
Coalitions Grants Awarded to the
Native Alliance Against Violence
Norman, Oklahoma**

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
TRIBAL DOMESTIC VIOLENCE AND SEXUAL ASSAULT
COALITIONS GRANTS AWARDED TO
THE NATIVE ALLIANCE AGAINST VIOLENCE
NORMAN, OKLAHOMA**

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two grants awarded by the Office on Violence Against Women (OVW), under the Tribal Domestic Violence and Sexual Assault Coalitions Grant Program to the Native Alliance Against Violence (NAAV) in Norman, Oklahoma. NAAV was awarded \$1,261,545 under Grant Numbers 2010-IW-AX-0003 and 2014-IW-AX-0003 to develop and strengthen effective responses to violence against women.

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, program performance, expenditures, budget management and control, drawdowns, and federal financial reports. The criteria we audited against are contained in the Office of Justice Programs Financial Guide, OVW Financial Grants Management Guide, and the grant award documents.

As of May 1, 2015, NAAV had drawn down \$583,681 of the total grant funds awarded for both grants. We examined NAAV's operating policies and procedures, accounting records, and financial and progress reports, and found that NAAV did not comply with essential award conditions related to grant expenditures, drawdowns, and federal financial reports. Most significantly, NAAV charged unsupported and unallowable costs to the grants. Based on our audit results, we identified \$40,062 in questioned costs, which included \$1,763 in duplicate costs that were questioned for more than one reason, resulting in net questioned cost of \$38,299.

Our report contains five recommendations to OVW which are detailed in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix 1 and our Schedule of Dollar-Related Findings appears in Appendix 2. We discussed the results of our audit with NAAV officials and have included their comments in the report, as applicable. In addition, we requested written responses to the draft audit report from NAAV and OVW, which are appended to this report in Appendices 3 and 4, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 5 of this report.

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TRIBAL DOMESTIC VIOLENCE AND SEXUAL ASSAULT
COALITIONS GRANTS AWARDED TO
THE NATIVE ALLIANCE AGAINST VIOLENCE
NORMAN, OKLAHOMA**

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grants awarded by the Office on Violence Against Women (OVW), under the Tribal Domestic Violence and Sexual Assault Coalitions Grant Program (Tribal Coalitions Program) to the Native Alliance Against Violence (NAAV) in Norman, Oklahoma. NAAV was awarded two grants totaling \$1,261,545, as shown in Table 1.

**Table 1
Grants Awarded to the NAAV**

Grant Number	Award Date	Project Start Date	Project End Date	Grant Amount
2010-IW-AX-0003 – Initial	09/21/2010	10/01/2010	09/30/2012	\$300,000
2010-IW-AX-0003 – Supplement	09/19/2012	10/01/2010	09/30/2015	\$563,000
2014-IW-AX-0003	09/17/2014	10/01/2014	09/30/2015	\$398,545
Total:				\$1,261,545

Source: Award documents from the Grants Management System (GMS)

OVW provides funding through the Tribal Coalitions Program to develop and strengthen effective responses to violence against women. There are 20 established nonprofit, nongovernmental tribal sexual assault and domestic violence coalitions that have been created, and are in operation throughout the United States. Tribal communities and villages rely on these tribal coalitions to assist them with training on sexual assault, domestic violence, dating violence and stalking, as well as state, federal, and tribal policies and issues that impact the safety of the women, and accountability of the perpetrator. NAAV was awarded Tribal Coalitions Program funds to provide technical assistance to coalition membership and tribal communities to enhance access to essential services to Native women victimized by sexual assault, domestic violence, dating violence, and stalking.¹

¹ Statements of mission and intent regarding OVW and NAAV have been taken from the agencies' website directly (unaudited).

OIG Audit Approach

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, expenditures, budget management and control, drawdowns, federal financial reports, and program performance.

We tested compliance with what we consider to be the most important conditions of the grants. The criteria we audited against are contained in the Office of Justice Programs (OJP) Financial Guide, OVW Financial Grants Management Guide, and the award documents. The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

FINDINGS AND RECOMMENDATIONS

NAAV did not comply with essential award conditions related to grant expenditures, drawdowns, and federal financial reports. Most significantly, NAAV charged unsupported and unallowable costs to the awards. Based on our audit results, we identified \$40,062 in questioned costs, which included \$1,763 in duplicate costs that were questioned for more than one reason, resulting in net questioned cost of \$38,299.² Based on our audit results, we make two recommendations to address dollar-related findings and three recommendations to improve the management of the grants.

Grant Financial Management

According to the OJP Financial Guide and the OVW Financial Grants Management Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. We reviewed NAAV's internal control environment, including procurement, receiving, and payment procedures; the payroll system; and monitoring contractors to determine whether the financial management system NAAV uses for the processing and payment of funds adequately safeguard grant funds and to ensure compliance with the terms and conditions of the grants. NAAV officials provided written policies and procedures related to internal controls, financial management, timekeeping and payroll, purchasing, and consultants; and described the procedures for payroll, procurement, receiving, payment of expenses, and contracts. Based on our review, we did not identify any concerns related to NAAV's financial management system specific to administration of the grants audited.

Grant Expenditures

For the two grants audited, NAAV received budget approval for cost categories including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Consultants and Contracts, and Other. In order to determine whether expenditures were allowable, supported, and properly allocated in compliance with grant requirements, we reviewed a sample of transactions totaling \$87,156 for Grant Number 2010-IW-AX-0003 and \$25,983 for Grant Number 2014-IW-AX-0003. Accountable property and matching costs were not applicable to these grants. The following sections describe the results of our review.

² Throughout this report, differences in the total amounts are due to rounding. The sum of the individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

Other Direct Costs

We reviewed 35 other direct cost transactions totaling \$74,464 for Grant Number 2010-IW-AX-0003 and 24 other direct cost transactions totaling \$21,573 for Grant Number 2014-IW-AX-0003. We identified concerns with consultant payments and determined that four transactions were unsupported, one of which was also partially unallowable, as shown in Table 2.

**Table 2
Unsupported and Unallowable Other Direct Costs**

Description		
Number of Transactions	Grant Number	Questioned Costs
No Time and Effort Reports		
2	2010-IW-AX-0003	\$ 20,000
1	2014-IW-AX-0003	9,400
No Hotel Receipt		
1	2014-IW-AX-0003	79
Total Unsupported Other Direct Costs:		\$29,479
Exceeding Approved Consultant Rate		
1	2014-IW-AX-0003	\$ 1,763
Total Unallowable Other Direct Costs:		\$1,763
TOTAL UNSUPPORTED AND UNALLOWABLE OTHER DIRECT COSTS:		\$31,242

Source: NAAV accounting records

Specifically, we found there were no time and effort reports provided to support the number of hours or months consultants claimed they worked on the Grant Number 2010-IW-AX-0003. The NAAV Executive Director provided an explanation of all services performed, including an affidavit from the consultant attesting that they performed all of the work required. However, because the contract was based on an hourly rate and no time and effort reports were provided, we concluded that the transactions were unsupported. Moreover, for one transaction, we found that the vendor was allowed to conduct work for NAAV before an executed contract was officially in place. The contract was not signed until 8 days prior to the vendor submitting its first invoice for work conducted from November 1, 2010, to October 31, 2011.³ The NAAV Executive Director stated that delays in executing the contract were a result of OVW withholding grant funds, the NAAV Board of Directors not willing to execute the contract until the funds were released, and the former NAAV Executive Director resigning. However, in our judgment, it is not a good business practice to allow consultants and contractors to conduct work prior to an executed contract being in place.

For Grant Number 2014-IW-AX-0003 we found one travel transaction for \$79 that was missing a hotel receipt and one transaction for \$9,400 paid to a

³ The contract was executed on October 20, 2011 and the invoice was dated October 28, 2011.

consultant that was not supported by any documentation detailing the work performed. We also found that the consultant began work before an executed contract was officially in place. The unsupported consultant transaction was the result of the fact that NAAV entered into a flat fee contract for legal services that required 65 percent of the flat fee to be paid as soon as the contract was executed; as a result, there was no documentation supporting the work performed by the contractor. However, the payment amount was based on an hourly rate per the grant budget. The NAAV Executive Director informed us that while the budget amount was based on an hourly rate, the contract entered into was a flat fee amount. She further stated that they found out prior to contract execution that the number of hours budgeted were grossly underestimated and that is the reason they entered into a flat fee contract. Additionally, she stated that since the amount paid to the consultant did not exceed the amount budgeted and did not change the scope of work, she did not submit a budget modification to OVW for paying them up front. Nevertheless, the contracted flat fee amount was the exact same dollar amount as the budgeted amount based on an hourly rate. NAAV's vendor payment form also included language that indicated the total amount paid, was in fact based on an hourly rate. Additionally, we noted that it took approximately 6 months between the award date and the funds being released where the budget was still pending approval, during which time according to NAAV officials they realized that an hourly rate would not be feasible. Therefore, NAAV had an opportunity to request a revision of the budget to be based on a flat fee instead of an hourly rate prior to the budget being approved. Further, in our judgment, a flat fee contract that is based on hourly legal services is not a good business practice since it does not require time and effort reports to support the costs charged to the grant.

Overall, we identified \$29,479 in other direct cost transactions that were unsupported. Therefore, we recommend that OVW coordinate with NAAV to remedy the \$29,479 in unsupported other direct costs.

Furthermore, Special Condition 31 of the award document states that the consultant rate cannot exceed \$650 per day, or \$81.25 per hour without OVW approval. However, for the same consultant discussed above both the budgeted and contracted amounts were based upon a \$100 per hour rate; a difference of \$18.75 per hour. As a result, we determined the amount exceeding the allowable rate, \$1,763, is unallowable. Therefore, we recommend that OVW coordinate with NAAV to remedy the \$1,763 in unallowable other direct costs.

Personnel Costs

We reviewed personnel costs for two non-consecutive pay periods for Grant Number 2010-IW-AX-0003 totaling \$12,692 and the only pay period at the time of our fieldwork for Grant Number 2014-IW-AX-0003 totaling \$4,410. Based on our review, we found unsupported salary and fringe benefit costs totaling \$8,820, as shown in Table 3.

Table 3
Unsupported Personnel Costs

Payroll Questioned Costs	2010-IW-AX-0003	2014-IW-AX-0003
Salary Questioned Costs	\$3,575	\$3,575
Fringe Benefit Questioned Costs	835	835
Total Unsupported Salaries and Fringe:	\$8,820	

Source: NAAV accounting records

According to the OVW Financial Grants Management Guide, where salaries apply to the execution of two or more grant programs, proration of costs to each activity must be made based on time and effort reports. We found that two employees that worked on multiple grants did not track their time spent working on each activity for the first month that the grant funding overlapped. NAAV's timesheets only tracked the daily and monthly time worked for each employee, but did not indicate how much time was spent working on each grant. As a result, we determined that these salary transactions were unsupported. We also found that the associate fringe benefit transactions were unsupported. The NAAV Executive Director told us that they began utilizing a new time and effort report beginning April 1, 2015, after attending an OVW training session in February 2015.

Overall, we identified unsupported salary costs totaling \$7,150 and unsupported fringe benefit costs totaling \$1,670. Therefore, we recommend that OVW coordinate with NAAV to remedy the \$8,820 in unsupported salary and fringe benefit costs.

Consultants

We reviewed a sample of five consultant or contractor transactions to verify rates, services, and whether total costs were in accordance with those allowed in the approved budgets. We also verified if labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant.

As we noted in the Other Direct Costs section above, we identified unsupported and unallowable consultant costs. Specifically, we found for Grant Number 2010-IW-AX-0003 that there were no time and effort reports to support the number of hours or months consultant worked on the grant. For Grant Number 2014-IW-AX-0003, we found one transaction that was not supported by any documentation detailing the work performed. We also found that the consultants for both grants began work before an executed contract was officially in place. Additionally, the payment made to one consultant was based on an hourly rate that exceeded the allowable rate without prior OVW approval. Therefore, we recommend that OVW coordinate with NAAV to develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

Budget Management and Control

According to the OJP Financial Guide and the OVW Financial Grants Management Guides, the recipient must initiate a GAN for budget modification if the proposed cumulative change is in excess of 10 percent of the total award amount. To ensure NAAV complied with the requirements, we reviewed the approved budgets and related GANs broken down by budget categories including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, and Other, and we conducted detailed analysis of expenditures by budget category for each of the two audited grants. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent, and we did not identify any significant deficiencies with NAAV's budget management processes for each of the two audited grants.

Drawdowns

According to the OJP Financial Guide and the OVW Financial Grants Management Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. To assess whether NAAV managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. We found that drawdowns exceeded expenditures for both grants, as shown in Table 4.⁴

Table 4
Drawdown Analysis

Grant Number	Total Expenditures	Total Drawdowns	Difference
2010-IW-AX-0003	\$539,263	\$546,428	\$7,165
2014-IW-AX-0003	\$27,086	\$37,253	\$10,167

Source: NAAV accounting records and OVW documents

According to the OJP Financial Guide and the OVW Financial Grants Management Guides, the recipient should time drawdown requests to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. The NAAV Executive Director provided us with list of additional pending expenses that exceeded the difference amounts, including payroll liabilities, travel expenses, and other operating costs that were anticipated when the drawdown requests were made.

We also reviewed the drawdowns to determine if there were any unusual drawdown amounts or trends. While we did not note any particular drawdown to be unusual in nature for either grant, for Grant Number 2010-IW-AX-0003, we did

⁴ The NAAV accounting records include expenditures through April 2015 at the time of our fieldwork.

find some instances where drawdowns exceeded expenditures by \$20,000 or more for several months in 2011 and 2012. For example, over 6 months elapsed before NAAV incurred expenditures to match its first three drawdowns in 2011. We also noted that as of May 25, 2012, drawdowns still exceeded expenditures this time by over \$38,000. The NAAV Executive Director stated that the former bookkeeper requested the first three drawdowns, but acknowledged there was no supporting documentation accompanying the drawdown receipts. In addition, regarding the \$38,000 drawdown surplus, she stated that it appeared more funds needed to be drawn down than were actually necessary. She also stated that when the discrepancy was discovered, funds were not drawn down again until all previously drawn funds had been expended.

However, in our judgment, NAAV has not always done an adequate job of drawing down funds based on immediate needs. Therefore, we recommend that OVW coordinate with NAAV to develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

Federal Financial Reports

According to the OJP Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. To determine whether the FFRs submitted by NAAV accurately reflected the grant expenditures; we performed testing of the last four FFRs submitted for Grant Number 2010-IW-AX-0003 and last two FFRs for Grant Number 2014-IW-AX-0003.⁵

We found that three of the four FFRs did not match NAAV's accounting records for Grant Number 2010-IW-AX-0003 and both of the FFRs did not match NAAV's accounting records for Grant Number 2014-IW-AX-0003. For Grant Number 2010-IW-AX-0003, the NAAV Executive Director stated that two transactions were not included in the quarter end grant figures and FFRs for the periods ending September 30, 2014, and December 31, 2014. She further stated that she was unsure why one check was not included; however, the other check was voided and reissued in the subsequent quarter. Additionally, the FFR for the period ending June 30, 2014, included expenditures related to another program. For Grant Number 2014-IW-AX-0003, the Executive Director stated that the difference was due to a check being voided, but was not adjusted out of the general ledger until our audit commenced; as a result, both FFRs we reviewed were inaccurate. Therefore, we recommend that OVW coordinate with NAAV to develop policies and procedures to ensure that FFRs are accurately supported by NAAV's accounting records.

⁵ There were only two FFR reports due at the time of our fieldwork for Grant Number 2014-IW-AX-0003.

Program Performance and Accomplishments

According to NAAV's program narratives, each grant was to accomplish the following:

- **2010-IW-AX-0003** – Work with partnering tribes, tribal agencies, and tribal victim service providers in a common effort to end violence against Native American victims in Oklahoma. In addition, NAAV will work with local sexual assault program and other providers of direct services to encourage appropriate responses to sexual assault within Oklahoma Indian Country.
- **2014-IW-AX-0003** – Increase awareness of domestic violence and sexual assault against Indian women. Enhance the response time to violence against Indian women at the federal, state, and tribal levels. In addition, NAAV will assist Indian tribes in developing and promoting state, local, and tribal legislation and policies that enhance best practices for responding to violent crimes against Indian women.

We did not identify any significant discrepancies with NAAV's achievement of grant objectives. However, while the NAAV Executive Director informed us that not all goals have been implemented; they are all ongoing. She stated that for Grant Number 2010-IW-AX-0003, all goals will be met by September 30, 2015. For Grant Number 2014-IW-AX-0003, she told us that NAAV will need an extension for the project period. She attributes not implementing all goals to multiple delays in OVW releasing the grant funds.

Specifically, for Grant Number 2010-IW-AX-0003, the initial grant was awarded on September 21, 2010, with the project period starting on October 1, 2010. According to the OVW Grant Manager, the initial grant budget was approved in December 2010, but grant funds were not released until July 26, 2011, over 9 months after the project period began. The supplement grant was awarded on September 19, 2012, but the budget was not approved or funds released until December 2013; over a year after it was awarded. Grant Number 2014-IW-AX-0003 was awarded on September 17, 2014 and the project period started October 1, 2014. However, the grant budget was not approved or funds released until March 2015, 5 months after the project period began.

In our judgment, the funding delays may have directly contributed to NAAV being unable to keep some goals and objectives on track and requiring an extension of its 2014-IW-AX-0003 grant project period. Therefore, we are not offering a recommendation related to this issue. In addition, based on our review of the grant documents, including progress reports, grant expenditures, and budgets, we determined that there is no indication that most of the goals and objectives are not being achieved, despite the funding delays.

Categorical Assistance Progress Reports

According to the OVW Financial Grants Management Guide, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities. To determine whether the progress reports submitted by NAAV accurately reflected the activity of the grant, we performed testing of some of the accomplishments described in the last two Categorical Assistance Progress Reports for Grant Number 2010-IW-AX-0003.⁶ We selected a sample of eight program accomplishments from the period ending December 31, 2014, and nine accomplishments from the period ending June 30, 2014. Specifically, we selected performance measures including the number of people trained, number of education events, number of people that attended education events, number of sexual assault and domestic violence meetings convened and attended, number of site visits conducted, and the number of other technical assistance consultations performed. We traced these reported accomplishments to supporting documentation maintained by NAAV. We determined that some documentation was incomplete for 4 of 17 facts reviewed; however, we concluded that overall, these discrepancies were immaterial. Therefore, we do not offer a recommendation related to this issue.

Conclusion

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. We examined NAAV's accounting records, budget documents, financial and progress reports, and financial management procedures. We found \$38,299 in unsupported expenditures, \$1,763 in unallowable expenditures, drawdowns were not always based on immediate need, and FFRs were not supported by NAAV's accounting records. As a result, we made five recommendations to improve NAAV's management of grants.

Recommendations

We recommend that OVW coordinate with NAAV to:

1. Remedy the \$38,299 in unsupported expenditures resulting from:
 - a. \$29,479 in unsupported other direct costs.
 - b. \$7,150 in unsupported salaries.
 - c. \$1,670 in unsupported fringe benefits.
2. Remedy the \$1,763 in unallowable other direct costs.

⁶ There were no activities reported for the only progress report due for Grant Number 2014-IW-AX-0003 at the time of our fieldwork.

3. Develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.
4. Develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.
5. Develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, expenditures, budget management and control, drawdowns, federal financial reports, and program performance.

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 objective.

This was an audit of two Office on Violence Against Women (OVW) grants awarded to the Native Alliance Against Violence (NAAV) under the Tribal Domestic Violence and Sexual Assault Coalitions Grant Program. NAAV was awarded \$863,000 under Grant Number 2010-IW-AX-0003 and \$398,545 under Grant Number 2014-IW-AX-0003. As of May 1, 2015, NAAV had drawn down \$546,428 under Grant Number 2010-IW-AX-0003 and \$37,253 under Grant Number 2014-IW-AX-0003. Our audit concentrated on, but was not limited to September 21, 2010, the award date for Grant Number 2010-IW-AX-0003, through May 22, 2015, the last day of our fieldwork. Both grants were still open at the time of our audit.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of NAAV's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges; financial reports; and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The criteria we audited against are contained in the OJP Financial Guide, OVW Financial Grants Management Guide, and the award documents. In addition, we evaluated NAAV's (1) financial management, including grant-related procedures in place for procurement, contractor and sub-grantee monitoring, financial reports, and progress reports; (2) budget management and controls; (3) drawdowns; and (4) program performance.

During our audit, we obtained information from OJP's Grant Management System (GMS) as well as NAAV's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems

as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>QUESTIONED COSTS</u> ⁷	AMOUNT	PAGE
<u>Unsupported Costs</u>		
Other Direct Costs	\$29,479	4
Salaries and Fringe Benefits	8,820	5
<hr/>		
<i>Total Unsupported Costs</i>	<i>\$38,299</i>	
<u>Unallowable Costs</u>		
Other Direct Costs	\$1,763	4
<hr/>		
<i>Total Unallowable Costs</i>	<i>\$1,763</i>	
<i>Total (Gross)</i>	<i>\$40,062</i>	
<u>Less Duplicate Questioned Costs</u> ⁸	<u>(\$1,763)</u>	
Net Questioned Costs	\$38,299	

⁷ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; 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.

⁸ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which include \$1,763 in unallowable and unsupported other direct costs.

**NATIVE ALLIANCE AGAINST VIOLENCE
RESPONSE TO THE DRAFT AUDIT REPORT**



January 4, 2016

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

RE: Response of Native Alliance Against Violence to the Draft Office of the Inspector General (OIG) Report of the Office on Violence Against Women (OVW) Grant #2010-IW-AX-0003 & #2014-IW-AX-0003

Dear Mr. Sheeren:

Having carefully reviewed the Draft Audit Report, the Native Alliance Against Violence (NAAV) provides the following responses, to-wit:

Recommendation #1:

Remedy the \$38,299 in unsupported expenditures resulting from (a) \$29,479 in unsupported other direct costs; (b) \$7,150 in unsupported salaries; and (c) \$1,670 in unsupported fringe benefits.

The NAAV does not agree with this recommendation and maintains that sufficient documentation was provided to justify the cost expenditures that are the subject of this recommendation. The NAAV does acknowledge that the expenditures could have been better documented and supported, and will endeavor to adhere to the existing and enhanced contractor policies and procedures as mentioned in the NAAV response to Recommendation #3. The NAAV will agree to work with its contractors and OVW to resolve this issue to the satisfaction of the Office of Inspector General.

Recommendation #2:

Remedy the \$1,763 in unallowable other direct costs.

The NAAV does not agree with this recommendation and maintains that it did not at any time pay any consultant a rate in excess of the federal allowable rate. The NAAV will work with said consultant and OVW to resolve this issue to the satisfaction of the Office of Inspector General.

Recommendation #3:

Develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

The NAAV does have policies and procedures in place relating to the selection of professional services consultants. The NAAV will revise these policies to include contract and invoicing requirements.

Recommendation #4:

Develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

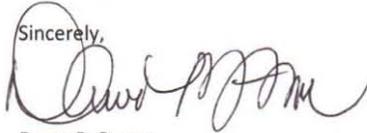
The NAAV will work to implement a policy to be included within the NAAV's written Financial Policies and Procedures to ensure that drawdowns procedures are based upon immediate need or within ten (10) days of disbursement.

Recommendation #5:

Develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

The NAAV will work to implement a policy to be included within the NAAV's written Financial Policies and Procedures to ensure that Federal Financial Reports are accurately supported by the NAAV accounting records.

Sincerely,



Dawn R. Stover
Executive Director

/drs

cc: Office of Violence Against Women

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



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

December 10, 2015

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Bea Hanson 
Principal Deputy Director
Office on Violence Against Women

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women Tribal Domestic Violence and Sexual Assault Coalitions Grants Awarded to the Native Alliance Against Violence Norman, Oklahoma

This memorandum is in response to your correspondence dated December 4, 2015 transmitting the above draft audit report for the Native Alliance Against Violence (NAAV). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains five recommendations that include \$38,299 in unsupported expenditures and \$1,763 in unallowable other direct costs. The Office on Violence Against Women (OVW) is committed to working with the grantee to address and bring the open recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Remedy the \$38,299 in unsupported expenditures resulting from:

- a) \$29,479 in unsupported other direct costs.
- b) \$7,150 in unsupported salaries.
- c) \$1,670 in unsupported fringe benefits.

OVW does agree with the recommendation. We will coordinate with NAAV to remedy the \$38,299 in unsupported expenditures.

2. Remedy the \$1,763 in unallowable other direct costs.

OVW does agree with the recommendation. We will coordinate with NAAV to remedy the \$1,763 in unallowable other direct costs.

3. Develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

OVW does agree with the recommendation. We will coordinate with NAAV to ensure that they develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

4. Develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

OVW does agree with the recommendation. We will coordinate with NAAV to ensure that they develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

5. Develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

OVW does agree with the recommendation. We will coordinate with NAAV to ensure that they develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

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 Donna Simmons
Associate Director, Grants Financial Management Division
Office on Violence Against Women (OVW)

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

Darla Sims
Program Manager
Office on Violence Against Women (OVW)

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Native Alliance Against Violence (NAAV) and the Office on Violence Against Women (OVW). NAAV's response is included as Appendix 3 and OVW's response is included as Appendix 4 of this final report. The following provides the OIG analysis of the responses and a summary of actions necessary to close the report.

Recommendation:

- 1. Remedy the \$38,299 in unsupported other direct costs, salaries, and fringe benefits.**

Resolved. OVW agreed with our recommendation, and stated in its response that it will coordinate with NAAV to remedy the \$38,299 in unsupported expenditures.

NAAV officials did not agree with this recommendation and stated that sufficient documentation was provided to justify the expenditures. However, as stated in this report, we identified personnel and consultant costs that were not supported by time and effort reports, as well as consultant travel for which supporting documentation was not provided. NAAV officials did acknowledge that expenditures could have been better supported, and will work with contractors and OVW to resolve this issue.

This recommendation can be closed when we receive documentation demonstrating that OVW has remedied the \$38,299 in unsupported expenditures.

- 2. Remedy the \$1,763 in unallowable other direct costs.**

Resolved. OVW agreed with our recommendation, and stated in its response that it will coordinate with NAAV to remedy the \$1,763 in unallowable other direct costs.

NAAV officials did not agree with this recommendation and stated that it did not pay any consultant a rate in excess of the federal allowable rate. However, as stated in this report, the fee in the consultant contract was based on a \$100 per hour rate. NAAV officials state that they will work with the consultant and OVW to resolve this issue.

This recommendation can be closed when we receive documentation demonstrating that OVW has remedied the \$1,763 in unallowable other direct costs.

3. Develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

Resolved. OVW agreed with our recommendation, and stated in its response that it will coordinate with NAAV to develop policies and procedures to ensure contracts are officially executed before consultants are allowed to conduct work charged to the grants and that consultant costs are supported by time and effort reports.

NAAV neither agreed nor disagreed with our recommendation. NAAV stated that it has policies and procedures in place relating to the selection of professional service consultants. However, NAAV will revise these policies to include contract and invoicing requirements.

This recommendation can be closed when we receive a copy of the revised policy that includes contract and invoicing requirements that preclude consultants from charging work to the grant before an executed contract is officially in place and that ensure consultant costs are supported by time and effort reports.

4. Develop policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

Resolved. OVW agreed with our recommendation, and stated in its response that it will coordinate with NAAV to ensure that it develops policies and procedures to ensure drawdown requests are based on immediate need or within 10 days of disbursement.

NAAV neither agreed nor disagreed with our recommendation. NAAV stated that it will work to implement a policy to be included within its written financial policies and procedures to ensure that drawdowns are based upon immediate need or within 10 days of disbursement.

This recommendation can be closed when we receive a copy of the new policy that addresses drawdown procedures based upon immediate need or within 10 days of disbursement.

5. Develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

Resolved. OVW agreed with our recommendation, and stated in its response that it will coordinate with NAAV to ensure that they develop policies and procedures to ensure that FFRs are accurately supported by the accounting records.

NAAV neither agreed nor disagreed with our recommendation. NAAV stated that it will work to implement a policy to be included within its written financial policies and procedures to ensure that FFRs are accurately supported by the accounting records.

This recommendation can be closed when we receive a copy of the new policy that addresses FFR procedures to ensure they are accurately supported by the accounting records.

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