



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



**Audit of the
Office on Violence Against Women
Tribal Government and Rural Domestic
Violence Grants Awarded to
the Ponca Tribe of Nebraska,
Niobrara, Nebraska**

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN TRIBAL GOVERNMENT AND RURAL DOMESTIC VIOLENCE GRANTS AWARDED TO THE PONCA TRIBE OF NEBRASKA, NIOBRARA, NEBRASKA

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ) Office of the Inspector General completed an audit of four grants awarded by the Office on Violence Against Women (OVW), under the Tribal Governments and the Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance (Rural DV) Programs to the Ponca Tribe of Nebraska (PTN) in Niobrara, Nebraska. The PTN was awarded \$2,721,308 under Grant Numbers 2010-TW-AX-0066, 2012-WR-AX-0021, 2014-TW-AX-0052, and 2015-WR-AX-0018 to address domestic violence. As of February 17, 2016, the PTN had drawn down \$1,729,997 of the total grant funds awarded.

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 of the award. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

As a result of our audit testing, we concluded that the PTN generally managed the audited grants appropriately and did not identify significant concerns regarding the PTN's submission of financial reports; budget management and control; drawdowns; and indirect costs. However, the PTN did not adequately manage the grants in several areas of spending and performance. We found that the PTN did not comply with essential award conditions related to use of federal funds, personnel, subrecipient monitoring, and progress reports. Specifically, we identified unallowable and unsupported expenditures; unsupported subrecipient spending; and unsupported progress reports. The PTN: (1) paid for unbudgeted items such as property taxes; liability, auto, and property insurance; employee bonuses; office support worker salary; and stipends; (2) incurred unsupported expenditures; (3) did not adequately monitor subrecipient expenditures; and (5) did not provide adequate supporting records for progress reports. As a result of these deficiencies, we identified \$149,141 in total questioned costs. After eliminating duplicative costs, the net questioned costs are \$138,207.

Our report contains six recommendations to the OVW which are detailed in the Recommendations section of this 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 PTN officials and have included their comments in the report, as applicable. In addition, we requested a response to our draft audit report from the PTN and the OVW, and their responses are appended to this report in Appendix 3 and Appendix 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.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
TRIBAL GOVERNMENT AND RURAL DOMESTIC VIOLENCE
GRANTS AWARDED TO THE PONCA TRIBE OF NEBRASKA,
NIOBRARA, NEBRASKA**

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN TRIBAL GOVERNMENT AND RURAL DOMESTIC VIOLENCE GRANTS AWARDED TO THE PONCA TRIBE OF NEBRASKA, NIOBRARA, NEBRASKA

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four grants awarded by the Office on Violence Against Women (OVW), under the Tribal Governments and the Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance (Rural DV) Programs to the Ponca Tribe of Nebraska (PTN) in Niobrara, Nebraska. The PTN was awarded four grants totaling \$2,721,308, as shown in Table 1.

Table 1
Grants Awarded to the Ponca Tribe of Nebraska

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
2010-TW-AX-0066	9/15/10	10/1/10	9/30/13	\$ 651,673
2012-WR-AX-0021	9/5/12	10/1/12	9/30/15	999,635
2014-TW-AX-0052	9/22/14	10/1/14	9/30/17	450,000
2015-WR-AX-0018	9/11/15	10/1/15	9/30/18	620,000
Total:				\$ 2,721,308

Source: Grants Management System

Funding through the Tribal Government Program and the Rural DV Program support the development and strengthening of effective responses to violence against women.

The Ponca Tribe of Nebraska

The Ponca Tribe of Nebraska (PTN) is a federally recognized tribe headquartered in Niobrara, Nebraska. Although the PTN does not have a reservation, the Ponca Restoration Act of 1990 established a fifteen-county service delivery area across Nebraska, Iowa, and South Dakota offering a broad range of health, social, educational, and cultural services through five office sites. The Ponca Tribal Domestic Violence Program commenced in 1998.

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 of the grant. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grants. The 2012, 2013, and 2014 OVW Financial Grants

Management Guides, the 2015 DOJ Grants Financial Guide, 2 CFR § 200, and the award documents contain the primary criteria we applied during the audit.

The results of our analysis are discussed in detail in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

Program Performance and Accomplishments

We reviewed required performance reports and grant documentation. We also interviewed grantee officials to determine whether the PTN demonstrated adequate achievement or progress towards achieving the program goals and objectives. In addition, we reviewed the semi-annual Progress Reports to determine if the required reports were accurate. Finally, we reviewed the PTN's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The goals and objectives for each grant are as listed below.

Grant 2010-TW-AX-0066: (1) Provide direct services to victims of domestic violence, dating violence, sexual assault, and stalking (DV), (2) Provide accessible services to victims of DV, (3) Continue talking circle support groups/counseling, (4) Increase knowledge of DV issues to enhance services, (5) Improve inter-agency coordination, cooperation, and collaboration, (6) Sustain the current Victim Advisory Board, and (7) Facilitate community education to raise public awareness of DV issues to the American Indian population.

Grant 2012-WR-AX-0021: (1) Improve services for victims/survivors of sexual assault, domestic violence, dating violence, and stalking (DV) in an effort to reduce violence against victims residing in the rural communities of the rural service region and create a community of support for these victims/survivors, (2) Maintain two Community Advocates, one Criminal Justice Liaison, and one Project Coordinator to provide advocacy services and increase the community awareness of DV occurring in rural communities, (3) Make therapeutic interventions accessible to youth and adult victims of DV, (4) Provide community awareness, education, and prevention efforts to bring awareness to the rural communities on domestic violence issues, improve service accessibility, and increase options for victims, (5) Maintain the Victim's Advisory Board and develop opportunities for community input, (6) Utilize trainings sponsored by the U.S. Department of Justice, Office on Violence Against Women (OVW) to increase program capacity, (7) Establish Sexual Assault Coordinated Community Response Teams (SACCRT) in three counties of the rural Service area, and (8) Establish an after-school youth group for adolescents on teen dating violence.

Grant 2014-TW-AX-0052: (1) Provide direct advocacy services and increase the community awareness for victims of domestic violence, sexual assault, dating

violence, and stalking (DV) occurring in the tribal service area, (2) Build resources for victims to create an effective community response, and address issues in victim services, criminal justice, and judicial systems, (3) Facilitate community education to raise public awareness of domestic violence and sexual assault issues to the American Indian population, (4) Assess client needs, plan and allocate resources, and enhance victim services and safety, (5) Provide group support in a culturally sensitive, confidential environment to youth and adult victims, (6) Increase program capacity and promote community action to prevent violence against American Indian women, (7) Develop and enhance policies and procedures that promote effective and accessible services for victims, and (8) Incorporate American Indian traditional practices to honor survivors and assist victims in the healing process.

Grant 2015-WR-AX-0018: (1) Provide direct services to victims of domestic violence, dating violence, sexual assault, and stalking (DV), (2) Create an effective community response and address issues in victim services, criminal justice, and judicial systems, (3) Facilitate community education to raise public awareness of domestic violence and sexual assault issues – especially to the American Indian and Hispanic populations, (4) Assess client needs, plan and allocate resources, and enhance victim services and safety, (5) Provide group support in a culturally sensitive, confidential environment to youth and adult victims, (6) Increase program capacity and promote community action to prevent violence against American Indian women, (7) Develop and enhance policies and procedures that promote effective and accessible services for victims, and (8) Provide accessible services to the deaf and hard of hearing community.

As explained in the following section, *Required Performance Reports*, the data provided by the PTN Program Coordinator did not reconcile with the data reported on the semi-annual Progress Reports. Furthermore, the Program Coordinator did not provide an explanation for the discrepancy. Therefore, we were unable to confirm the achievement of goals and objectives, or verify data submitted in the Progress Reports. However, we did find evidence that PTN expended funds for purposes related to the goals and objectives such as meeting minutes for the Victim Advisory Board and the Coordinated Response Team, and Grant Adjustment Notifications (GAN) approving brochures.

Required Performance Reports

According to the 2012, 2013, and 2014 OVW Financial Grants Management Guides and the 2015 DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation.

In order to verify the information in the semi-annual Progress Reports, we selected the two most recent progress reports submitted for each grant for a total of seven progress reports, and then selected six performance measures from grants

2010-TW-AX-0066 and 2014-TW-AX-0052 and five performance measures from grants 2012-WR-AX-0021 and 2015-WR-AX-0018 for each of the seven reports¹. These included data on: staff, people trained, people educated, victims served, and demographics of victims. We attempted to trace the items to supporting documentation maintained by the PTN Program Coordinator. However, despite several requests, we were not provided sufficient documentation. As a result, we were unable to adequately verify the reported information.

As mentioned before the PTN did show evidence it expended funds for purposes related to the goals and objectives. However, we were unable to verify claims identified in the Progress Reports regarding accomplishment of goals and objectives. We recommend that the OVW ensure the PTN implements policies and procedures to ensure the collection and maintenance of documentation that supports the information and data reported in the semi-annual Progress Reports.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each grant and selected a judgmental sample of the requirements that are significant to performance under the grants and are not addressed in another section of this report. We evaluated a total of nine special conditions, three from 2014-TW-AX-0052 and two each from the remaining 3 grants. The special conditions covered three main topics: (1) A standard statement regarding grant funding and a disclaimer on all materials and publications resulting from award activities; (2) Prior to providing any direct financial assistance to DV victims, the PTN had to submit to the OVW for approval: 1. A written copy of its client eligibility guidelines, 2. A written explanation of the accounting practices it will use to protect client confidentiality, and 3. A description of intended use of financial assistance; and (3) The PTN was restricted to expending or obligating no more than \$10,000 for OVW-sponsored technical assistance events prior to approval of the award budget, which included a restriction on drawing down additional funds.

We found the PTN was in compliance with the first special condition in that all brochures and materials included the proper statement and disclaimer. For the second special condition, the PTN Domestic Violence Program Policy contained the three items required by OVW, however; both PTN and OVW officials were unable to provide any information that these policies were submitted to OVW for review and approval. Since these policies were required to be submitted prior to providing direct financial assistance to DV victims, we determined the PTN was not fully in compliance with the special condition. Therefore, we recommend that the PTN establish procedures to ensure special conditions are met.

Regarding the obligation and expenditure of funds prior to budget approval, we found that the PTN did incur premature spending, not associated with OVW

¹ Grant 2015-WR-AX-0018 had only one Progress Report at the time of our fieldwork.

technical training, on grants 2012-WR-AX-0021 for \$1,283, 2014-TW-AX-0052 for \$8,895, and 2015-WR-AX-0018 for \$32,940 totaling \$43,118. This special condition states that “any obligations or expenditures incurred by the recipient prior to the budget being approved are made at the recipient’s own risk.” In our judgment, this statement is ambiguous and does not define the risk in the event of early spending. We interpreted this to mean that any early spending in which the expenditures are subsequently included in the approved budget, would be allowable. Therefore, we are not questioning the \$43,118 in early spending.

Grant Financial Management

According to the 2012, 2013, and 2014 OVW Financial Grants Management Guides and the 2015 DOJ Grants Financial 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. To assess the PTN’s financial management of the grants covered by this audit, we reviewed the PTN’s Single Audit Reports for fiscal years 2011 through 2014 to identify internal control weaknesses and significant non-compliance issues related to federal awards. We also conducted interviews with financial staff and grant personnel, examined policies and procedures, and inspected grant documents to determine whether the PTN adequately safeguarded the grant funds we audited. Finally, we performed testing in the areas that were relevant for the management of these grants, as discussed throughout this report.

Based on our review, we did not identify any significant concerns related to grant financial management in general. Therefore we make no recommendations concerning financial management. However, we identified other grant management concerns in areas of spending and performance as discussed in other sections of this report.

Grant Expenditures

For Grant Numbers 2010-TW-AX-0066, 2012-WR-AX-0021, 2014-TW-AX-0052, and 2015-WR-AX-0018, the PTN’s approved budgets included personnel, fringe benefits, travel, supplies, contractual, other, and indirect costs.² To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we evaluated a sample of transactions from each grant. For grants 2010-TW-AX-0066 and 2012-WR-AX-0021, which are both closed, we tested 30 transactions each. From grants 2014-TW-AX-0052 and 2015-WR-AX-0018 we tested 25 transactions each for a total of 110 transactions. These transactions were judgmentally selected attempting to provide a fair representation of all expense categories based on account type, size of transaction, transaction descriptions, and items of interest. We reviewed documentation and accounting records, and performed verification testing related to grant expenditures. Based on this testing, we recommend that

² Grant 2010-TW-AX-0066 did not have funds budgeted for the contractual category.

the OVW remedy \$149,141 in questioned costs as a result of the PTN's unsupported and unallowable costs. The following sections describe the results of that testing.

Direct Costs

We tested 110 transactions totaling \$178,785, which is approximately 10 percent of the \$1,729,997 drawn down by the PTN as of February 17, 2016. We identified \$70,278 in questioned costs, \$59,054 were unsupported and \$11,224 were unbudgeted and therefore unallowable. The \$59,054 in unsupported costs include \$46,380 for subrecipient expenses, \$7,457 for consulting expenses, \$2,561 for insurance, \$916 for taxes, \$1,356 for travel, and \$383 for supplies.³

Additionally, of the \$59,054 unsupported costs, there were \$10,934 that were also unallowable because they were unbudgeted including \$7,457 in consulting costs, \$2,561 in insurance costs, and \$916 in taxes. The total questioned costs are \$70,278 including \$10,934 in duplicate costs. The net questioned costs for transaction testing are \$59,344.

As a result of our unallowable costs found during the transaction testing, we expanded our analysis to all other unbudgeted expenditures in these account categories and questioned them as unallowable as well. We identified an additional \$8,031 in unbudgeted stipends, \$4,905 in unbudgeted recognition pay, \$6,682 in unbudgeted property, liability, and auto insurance, \$2,343 in unbudgeted property taxes, and \$56,902 for an unbudgeted office support worker. Total additional questioned costs were \$78,863 for a grand total of \$149,141 in questioned costs.

Personnel Costs

We evaluated employee pay rates and hours worked to verify personnel costs were within budget and program guidelines. We judgmentally selected two non-sequential pay periods for each grant to analyze budgeted versus actual salaries and benefits. We found that the pay rates and fringe benefits were generally within the guidelines of the 10 percent rule. However, we identified one position, office support worker, that was unbudgeted. Therefore, we questioned \$56,902 in unallowable personnel costs associated with the unbudgeted office worker.

Subrecipient Costs

Based on the following descriptions of subrecipients versus contractors in 2 CFR § 200.330, we determined that recipients of grant funds that were included in the PTN budget detail more closely embodied the substance of the relationship as described below for subrecipients, rather than contractors. In our judgment, all five of the characteristics of a subrecipient apply while none of the contractor characteristics apply except for number five dealing with compliance to federal

³ Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

program requirements. Additionally, the PTN is a pass through entity, and all accountability for grant related activity and expenditures of the subrecipient must come through the PTN and be approved by the PTN.

(a) Subrecipients. A sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) Contractors. A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) Use of judgment in making determination. In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement.⁴ All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a sub-award or a procurement contract.

The PTN's detailed budgets for grants 2012-WR-AX-0021 and 2015-WR-AX-0018 included pass-through funds for three non-federal entities, two of which were for small amounts (\$2,688 each) for OVW technical training. The third was a non-profit domestic violence service organization which was budgeted

⁴ A Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

for \$612,691 of the \$1,619,635 awarded to the PTN for these two grants. We selected the latter for our analysis and determined that the organization had submitted check requests to the PTN for reimbursement of grant related expenses. We included 10 of these transactions in our transaction testing and found 7 of the 10 were inadequately supported or unallowable resulting in questioned costs totaling \$46,520 out of \$96,589 tested and are previously included in the Direct Costs section.

Additionally, according to the 2015 DOJ Grants Financial Guide, "direct recipient must have established, written policies on subrecipient monitoring, as described in 2 C.F.R. § 200.331." The PTN management stated it does not have written policies or procedures for monitoring subrecipients. Therefore, we recommend the OVW ensure the PTN implements policies and procedures to monitor subrecipients.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. All four grants budgeted for indirect costs and we compared the actual indirect costs charged to the grants to the budgeted amounts as well as the amounts calculated based on the approved indirect cost rates for each fiscal year.

Based on our review, we did not identify any significant concerns related to indirect cost rates, budgeted indirect costs, or the application of indirect costs in federal spending. Therefore, we make no recommendations concerning indirect costs.

Budget Management and Control

According to the 2012, 2013, and 2014 OVW Financial Grants Management Guides and the 2015 DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether the PTN transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent for any of the four grants audited. Therefore, we make no recommendations concerning budget management and control.

Drawdowns

According to 2012, 2013, and 2014 OVW Financial Grants Management Guides and the 2015 DOJ Grants Financial 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. According to the PTN management, drawdowns are based on reimbursements of the monthly summary of expenditures. Drawdowns for each grant as of February 17, 2016 are shown in Table 2 below.

Table 2
Cumulative Drawdowns by Grant as of February 17, 2016

Award Number	Award Date	Award Amount	Drawdowns
2010-TW-AX-0066	9/15/10	\$ 651,673	\$ 651,658
2012-WR-AX-0021	9/5/12	999,635	922,593
2014-TW-AX-0052	9/22/14	450,000	111,072
2015-WR-AX-0018	9/11/15	620,000	44,744
Total		\$2,721,308	\$ 1,729,997

Source: Grant Award Documents and the OVW

To assess whether the PTN managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules. We address those deficiencies in the Grant Expenditures section in this report.

Federal Financial Reports

According to the 2012, 2013, and 2014 OVW Financial Grants Management Guides and the 2015 DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each federal financial report (FFR) as well as cumulative expenditures. To determine whether the PTN submitted accurate FFRs, we compared the four most recent reports for each grant to the PTN's accounting records.

We determined that quarterly and cumulative expenditures for the reports reviewed generally matched the accounting records, with minor immaterial differences. Therefore, we make no recommendations concerning federal financial reports.

Conclusion

As a result of our audit testing, we conclude that the PTN generally managed the grants that we reviewed appropriately, except for several discrepancies or instances of noncompliance. We did not identify significant issues regarding the PTN's overall financial management controls, management of the grant budget, drawdowns, indirect costs, and federal financial reports. However, we found that the PTN did not comply with essential award conditions related to expenditure of federal funds, support for Progress Reports, monitoring of subrecipients, and adherence to special conditions. As a result of these deficiencies, we identified \$149,141 in total questioned costs. After eliminating duplicative costs, the net questioned costs are \$138,207. We provide six recommendations to the OVW to address these deficiencies.

Recommendations

We recommend that the OVW:

1. Remedy the \$59,054 in questioned costs as a result of the PTN's unsupported costs associated with the following issues:
 - a. Remedy \$46,380 in subrecipient costs.
 - b. Remedy \$7,457 in consulting costs.
 - c. Remedy \$5,217 in travel, supplies, insurance, and tax costs.
2. Remedy the \$90,087 in questioned costs as a result of the PTN's unallowable costs associated with the following issues:
 - a. Remedy \$11,224 in costs discovered in transaction testing that were unbudgeted.
 - b. Remedy \$8,031 in costs for stipends to advisory board members that were not budgeted.
 - c. Remedy \$4,905 in costs for recognition pay to program employees that were not budgeted.
 - d. Remedy \$6,682 in costs for insurance premiums for general liability, auto, and property insurance that were not budgeted.
 - e. Remedy \$2,343 in costs for property taxes that were not budgeted.
 - f. Remedy \$56,902 in costs for personnel costs and fringe benefits for an office support worker that was not budgeted.

3. Ensure the PTN implements procedures to ensure adherence to award special conditions.
4. Ensure the PTN implements procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.
5. Ensure the PTN implements procedures to ensure only allowable expenses are paid with federal funds and are properly supported.
6. Ensure the PTN implements policies and procedures to monitor subrecipients.

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 of the awards. To accomplish this objective, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

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 the OVW's grants awarded to the PTN under the Tribal Government and Rural DV Programs. The PTN was awarded Grant Numbers 2010-TW-AX-0066 for \$651,673, 2012-WR-AX-0021 for \$999,635, 2014-TW-AX-0052 for \$450,000, and 2015-WR-AX-0018 for \$620,000, and as of February 17, 2016, had drawn down \$1,729,997 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 15, 2010, the award date for Grant Number 2010-TW-AX-0066, through March 11, 2016, the last day of our audit work. Grant Numbers 2010-TW-AX-0066 and 2012-WR-AX-0021 had been closed out and Grant Numbers 2014-TW-AX-0052 and 2015-WR-AX-0018 were not yet fully expended.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the PTN's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges; indirect costs; 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 2012, 2013, and 2014 OVW Financial Grants Management Guide, the 2015 DOJ Grants Financial Guide, 2 CFR § 200, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System (GMS), as well as the PTN'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

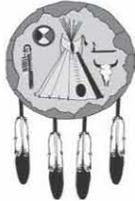
SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>QUESTIONED COSTS</u> ⁵	AMOUNT	PAGE
<u>Unallowable Costs</u>		
Unallowable purchases from Expense Testing	\$ 11,224	6
Unallowable Stipends	8,031	6
Unallowable Recognition Pay	4,905	6
Unallowable Property, Liability, and Auto Insurance	6,682	6
Unallowable Property Taxes	2,343	6
Unallowable Personnel	56,902	6
Total Unallowable Costs	\$ 90,087	
<u>Unsupported Costs</u>		
Unsupported Subrecipient expenses	\$ 46,380	6
Unsupported Consulting Costs	7,457	6
Unsupported Travel, Supplies, Insurance, and Taxes	5,217	6
Total Unsupported Costs	\$ 59,054	
GROSS QUESTIONED COSTS	149,141	
<i>Less Duplicate Questioned Costs</i> ⁶	10,934	6
<u>NET QUESTIONED COSTS</u>	\$138,207	

⁵ **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.

⁶ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which include unallowable costs of \$2,561 for unbudgeted insurance, \$916 for unbudgeted taxes, and \$7,457 for unbudgeted consulting costs.

PONCA TRIBE OF NEBRASKA'S RESPONSE
TO THE DRAFT REPORT¹



PONCA TRIBE
OF NEBRASKA

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Recommendations

We recommend that the OVW:

1. Remedy the \$59,054 in questioned costs as a result of the PTN's unsupported costs associated with the following issues:
 - a. Remedy \$46,380 in subrecipient costs.
Ponca Tribe of Nebraska Response/Corrective Action Plan:
Ponca Tribe of Nebraska (PTN) does not agree with the recommendation. Additional detailed documentation is enclosed supporting these costs. The documentation includes a summary of the costs and copies of receipts backing up the costs.
 - b. Remedy \$7,457 in consulting costs.
Ponca Tribe of Nebraska Response/Corrective Action Plan:
Ponca Tribe of Nebraska (PTN) agrees with the recommendation. This cost was for the purchase and implementation of statistical reporting/data collection software. This cost was not specially detailed in the approved budget for grant #2010-TW-AX-0066.
 - c. Remedy \$5,217 in travel, supplies, insurance, and tax costs.
Ponca Tribe of Nebraska Response/Corrective Action Plan:
Ponca Tribe of Nebraska (PTN) does not agree with the recommendation.
Supplies:
Sample #17 was for the purchase of phone cards for client use. Additional supporting documentation is enclosed supporting these costs. The documentation includes a summary spreadsheet with signatures and information from clients receiving the phone cards.
Travel:
Sample #23 was for travel and was missing a hotel receipt. The hotel receipt has been located and is enclosed along with all other pertinent documentation supporting these costs.

Sample #79 was for airfare that was moved to the grant from another source. Additional documentation is enclosed supporting these costs.

Sample #8 was for GSA vehicle charges. Additional documentation showing the calculations from which the cost was derived is enclosed.

¹ Attachments to this response were not included in this final report.

Insurance:

A GAN has been submitted to OVW. A copy of the GAN is enclosed.

Taxes:

A GAN has been submitted to OVW. A copy of the GAN is enclosed.

2. Remedy the \$90,087 in questioned costs as a result of the PTN's unallowable costs associated with the following issues:

- a. Remedy \$11,224 in costs discovered in transaction testing that were unbudgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) does not agree with the recommendation.

Unsupported & Unbudgeted Insurance:

These costs were moved to the grant through a journal entry. Additional documentation supporting the original journal entry is enclosed and this item is further addressed in 1.c. above and 2.d. below.

Unsupported & Unbudgeted Taxes:

These costs were charged to the grant through an FTE allocation. A copy of that allocation is enclosed and this item is further addressed in 1.c. above and 2.e. below.

Unsupported & Unbudgeted Contractor:

PTN does agree with this recommendation and it is addressed above in 1.b.

Unbudgeted Stipends:

Addressed in 2.b. below.

- b. Remedy \$8,031 in costs for stipends to advisory board members that were not budgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. A GAN for grant #2014-TW-AX-0052 has been submitted to approve costs of \$450. A copy of the GANs is enclosed. \$3,314.85 related to grant #2010-TW-AX-006 and \$4,265.70 related to grant #2012-WR-AX-0021 were not specifically budgeted for in the approved grant budgets; however, a desk review conducted by DOJ/OJP in November of 2014 failed to note these costs as a deficiency.

- c. Remedy \$4,905 in costs for recognition pay to program employees that were not budgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) does not agree with the recommendation. \$3,836.01 of the costs were annual cost of living payments (COLA) made per PTN policy that were incorrectly identified in the applicable general journal as "Recognition Payments".

Those items are being corrected via journal entries to change the description. The journal entries are enclosed along with a copy of the Policy and the Tribal Council meeting minutes approving each payment amount from each applicable year. The remaining \$1,069.06 represents two milestone recognition payments made for a 5 year and 10 year employment anniversary. PTN Policy for the payments is enclosed. The COLA payments and milestone recognition payments are reasonable for the services rendered, conform to PTN's established written policy, and are consistently applied to both Federal and non-Federal activities. Appropriate supporting documentation is enclosed.

- d. Remedy \$6,682 in costs for insurance premiums for general liability, auto, and property insurance that were not budgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) does not agree with the recommendation. GANs for grants #2014-TW-AX-0052 and 2015-TW-AX-0018 have been submitted to approve costs of \$1,022.18 and \$897.60, respectively. A copy of the GANs is enclosed. \$1,242.20 related to grant #2010-TW-AX-006 and \$477.15 related to grant #2012-WR-AX-0021 for auto insurance will be reclassified to the GSA account line item as all expenditures were related to the cost of insuring GSA vehicles. A copy of those entries is enclosed. \$3,042.93 in commercial insurance (property and general liability insurance) costs in grant #2012-WR-AX-0021 will be reclassified to the rent account line item. Rent costs were budgeted in the approved budget narrative/detail; however, no charges for rent were ever coded to the line item. Rental/space costs includes charges for the "costs of ownership" such as maintenance costs, insurance, depreciation, utilities, etc. A copy of the entries is enclosed.

- e. Remedy \$2,343 in costs for property taxes that were not budgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) does not agree with the recommendation. A GAN for grant #2014-TW-AX-0052 has been submitted to approve costs of \$472.99 for property taxes. A copy of the GAN is enclosed. \$967.56 related to grant #2010-TW-AX-006 and \$902.70 related to grant #2012-WR-AX-0021 for property tax charges will be reclassified to the rent account line item. Rent costs were budgeted in the approved budget narrative/detail; however, no charges for rent were ever coded to the line item. Rental/space costs includes charges for the "costs of ownership" such as maintenance costs, insurance, depreciation, utilities, etc. A copy of the entries is enclosed.

- f. Remedy \$56,902 in costs for personnel costs and fringe benefits for an office support worker that was not budgeted.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. A GAN for grant #2015-WR-AX-0018 has been submitted to approve costs of \$14,763.57. A copy of the GAN is enclosed. \$42,138.19 related to grant #2012-WR-AX-0021 was not specifically budgeted for in the approved grant budgets

3. Ensure the PTN implements procedures to ensure adherence to award special conditions.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. PTN is in the process of updating their Fiscal Policy and has contracted with Tribal Support to assist in that process. A copy of the contract with Tribal Support is enclosed.

4. Ensure the PTN implements procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. PTN is in the process of updating their Fiscal Policy and has contracted with Tribal Support to assist in that process. A copy of the contract with Tribal Support is enclosed.

5. Ensure the PTN implements procedures to ensure only allowable expenses are paid with federal funds and are properly supported.

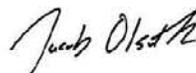
Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. PTN is in the process of updating their Fiscal Policy and has contracted with Tribal Support to assist in that process. A copy of the contract with Tribal Support is enclosed.

6. Ensure the PTN implements policies and procedures to monitor subrecipients.

Ponca Tribe of Nebraska Response/Corrective Action Plan:

Ponca Tribe of Nebraska (PTN) agrees with the recommendation. PTN is in the process of updating their Fiscal Policy and has contracted with Tribal Support to assist in that process. A copy of the contract with Tribal Support is enclosed.



Jacob Olsufka
Director of Finance

**OFFICE ON VIOLENCE AGAINST WOMEN'S RESPONSE
TO THE DRAFT REPORT**



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

September 8, 2016

MEMORANDUM

TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office

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

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women Tribal Government and Rural Domestic Violence Grant Programs Grants Awarded to the Ponca Tribe of Nebraska, Niobrara, Nebraska

This memorandum is in response to your correspondence dated August 8, 2016 transmitting the above draft audit report for the Ponca Tribe of Nebraska (PTN). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 6 recommendations and \$149,141 in questioned costs that are directed to OVW. We are committed to working with the PTN to address and bring these recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

OIG recommends that OVW:

- 1. Remedy the \$59,054 in questioned costs as a result of the PTN's unsupported costs associated with the following issues:**
 - a. Remedy \$46,380 in subrecipient costs.**

- b. **Remedy \$7,457 in consulting costs.**
- c. **Remedy \$5,217 in travel, supplies, insurance, and tax cost.**

OVW does agree with the recommendation. We will coordinate with PTN to remedy the \$59,054 in questioned costs.

2. Remedy the \$90,087 in questioned costs as a result of the PTN's unallowable costs associated with the following issues:

- a. **Remedy \$11,224 in costs discovered in transaction testing that were unbudgeted.**
- b. **Remedy \$8,031 in costs for stipends to advisory board members that were not budgeted.**
- c. **Remedy \$4,905 in costs for recognition pay to program employees that were not budgeted.**
- d. **Remedy \$6,682 in costs for insurance premiums for general liability, auto, and property insurance that were not budgeted.**
- e. **Remedy \$2,343 in costs for property taxes that were not budgeted.**
- f. **Remedy \$56,902 in costs for personnel costs and fringe benefits for an office support worker that was not budgeted.**

OVW does agree with the recommendation. We will coordinate with PTN to remedy the \$90,087 in questioned costs.

3. Ensure the PTN implements procedures to ensure adherence to award special conditions.

OVW does agree with the recommendation. We will coordinate with PTN to ensure that they implement procedures to ensure adherence to award special conditions.

4. Ensure the PTN implements procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.

OVW does agree with the recommendation. We will coordinate with PTN to ensure that they implement procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.

5. Ensure the PTN implements procedures to ensure only allowable expenses are paid with federal funds and are properly supported.

OVW does agree with the recommendation. We will coordinate with PTN to ensure that they implement procedures to ensure only allowable expenses are paid with federal funds and are properly supported.

6. Ensure the PTN implements policies and procedures to monitor subrecipients.

OVW does agree with the recommendation. We will coordinate with PTN to ensure that they implements policies and procedures to monitor subrecipients.

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

Lorraine Edmo
Director, Tribal Program
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 Office on Violence Against Women (OVW) and the Ponca Tribe of Nebraska (PTN). The OVW's response is incorporated in Appendix 4 and the PTN's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, the OVW concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation:

- 1. Remedy the \$59,054 in questioned costs as a result of the PTN's unsupported costs associated with the following issues:**
 - a. Remedy \$46,380 in subrecipient costs.**
 - b. Remedy \$7,457 in consulting costs.**
 - c. Remedy \$5,217 in travel, supplies, insurance, and tax costs.**

Resolved. The OVW concurred with our recommendation. The OVW stated in its response that it will coordinate with the PTN to remedy the \$59,054 in questioned costs.

The PTN responded to each of the three unsupported expenditure categories separately and had the following comments related to the specific recommendations.

For recommendation subpart a, the PTN disagreed with the recommendation and stated in its response it had submitted additional documentation supporting these costs including copies of receipts. The costs associated with the subrecipient were partially supported by this additional documentation, resulting in a reduction of questioned costs by \$26,289. However, some costs remain unsupported as there is no clear description of the methodology used to allocate costs to the grant. As a result, there remains \$20,091 in unsupported questioned costs.

For recommendation subpart b, the PTN agreed with our recommendation. The PTN stated in its response the cost was for the purchase and implementation of statistical reporting/data collection software, but was not

in the approved budget for grant 2010-TW-AX-0066. Therefore, the \$7,457 in questioned costs remains as unsupported questioned costs.

For recommendation subpart c, the PTN disagreed with the recommendation and stated in its response it had submitted additional documentation supporting these costs, and also had submitted GANs to replace the budget line item for office space costs with insurance and taxes. GAN 8 for grant 2014-TW-AX-0052 was approved by OVW on September 8, 2016. GAN 6 for grant 2015-WR-AX-0018 was approved by OVW on September 16, 2016. However, the costs associated with unsupported taxes and insurance remain unsupported as there is no clear description of the methodology used to calculate the allocation percentages. The costs associated with travel and supplies totaling \$1,739 were supported with the additional documentation submitted by the PTN. As a result, \$3,477 remains as unsupported questioned costs for insurance and taxes.

The recommendation can be closed when we receive evidence that the remaining \$31,025 in unsupported questioned costs have been remedied.

- 2. Remedy the \$90,087 in questioned costs as a result of the PTN's unallowable costs associated with the following issues:**
 - a. Remedy \$11,224 in costs discovered in transaction testing that were unbudgeted.**
 - b. Remedy \$8,031 in costs for stipends to advisory board members that were not budgeted.**
 - c. Remedy \$4,905 in costs for recognition pay to program employees that were not budgeted.**
 - d. Remedy \$6,682 in costs for insurance premiums for general liability, auto, and property insurance that were not budgeted.**
 - e. Remedy \$2,343 in costs for property taxes that were not budgeted.**
 - f. Remedy \$56,902 in costs for personnel costs and fringe benefits for an office support worker that was not budgeted.**

Resolved. The OVW concurred with our recommendation. The OVW stated in its response that it will coordinate with the PTN to remedy the \$90,087 in questioned costs.

The PTN responded to each of the six unallowable expenditure categories separately and had the following comments related to the specific recommendations.

For recommendation subpart a, the PTN disagreed with the recommendation related to unbudgeted insurance and taxes, and stated in its response it had submitted additional documentation supporting the original journal entry for insurance costs and allocation of taxes based on Full Time Equivalent (FTE) costs. However, in reviewing the documentation

submitted by the PTN, we did not find the documentation explaining the methodology used for calculating allocations. The PTN submitted GAN 8 to the OVW for grant 2014-TW-AX-0052 to replace the "office space costs" line item with line items for insurance (liability/property/automobile) and property taxes (Norfolk, Omaha, Lincoln). GAN 8 was approved by the OVW September 8, 2016. As a result, the unbudgeted amounts from transaction testing for insurance and taxes are reduced by \$458.70. However, the amounts for unbudgeted insurance and taxes from grants 2010-TW-AX-0066 and 2012-WR-AX-0021 remain unchanged. The total questioned costs for unbudgeted costs identified in transaction testing are \$10,765.60.

For recommendation subpart b, the PTN agreed with the recommendation and stated in its response it had submitted a GAN to approve costs of \$450 for stipends. GAN 8 for grant 2014-TW-AX-0052 was approved by the OVW on September 8, 2016. GAN 8 includes a modification to the budget for stipends for \$25 per meeting for gas and wear and tear on the board member's vehicles to attend the meetings. However, since the individual cost line items were for \$75 each, the amount in excess of the \$25 is considered unbudgeted and is questioned as unallowable. This amount totals \$300. The PTN also stated that it agreed that the stipends for grants 2010-TW-AX-0066 and 2012-WR-AX-0021 were not specifically budgeted, but stated that a desk review conducted by DOJ/OJP in November of 2014 failed to note those costs as deficiencies. However, since our audit identified these concerns, the related questioned costs remain. Total costs related to unbudgeted stipends are reduced by \$150 to \$7,880.55.

For recommendation subpart c, the PTN disagreed with the recommendation and stated in its response it had submitted additional documentation supporting these costs. In its response, the PTN stated that \$3,836.01 of the costs were for annual cost of living payments (COLA) made per the PTN policy but were incorrectly identified as "Recognition Payments". These items are being corrected by journal entry. The remaining \$1,069.06 represents two milestone recognition payments made at the 5 and 10 year anniversary of employment. The PTN stated the COLA payments and milestone recognition payments are reasonable for the services rendered, conform to PTN's established written policy, and are consistently applied to both federal and non-federal activities, and supporting documentation was included. However, in our judgment, the payments are based on a fixed amount plus another fixed amount for each year of service. A COLA is typically based on a quantifiable index such as the consumer price index, is incorporated into the base pay, and normally continues in future years. The payments made were lump sum payments based solely on seniority, are not tied to any index of costs, and are not incorporated into the base pay. Although they are called cost of living increases, they show characteristics of bonuses. The PTN had budgeted for COLA salary increases to the base pay of up to 5 percent, and based on our review of judgmental samples of the payroll records and the general

ledgers, it appears that COLA increases of approximately three percent were provided. The COLA increases as described in the PTN policy should have been included in the budget narrative for the proposed budget during the application process. The "recognition pay" bonuses were not budgeted; therefore, the questioned costs for unbudgeted unallowable recognition pay remains at \$4,905.07.

For recommendation subpart d, the PTN disagreed with the recommendation and stated in its response it had submitted additional documentation supporting these costs. The PTN stated that rental costs were budgeted and that "rental/space costs include charges for the cost of ownership". The PTN cited the 2012 OVW Financial Grants Management Guide, page 59, which states: "Rental costs are generally allowable costs under the OVW programs. Applicants should list square footage and cost per square foot in the budget. The amount must be based on the space that will be allocated to implement the OVW project, not the costs of the entire rental space. Rental costs are not allowable for property owned by the applicant or if the applicant has a financial interest in the property. In this case only the costs of ownership, including maintenance costs, insurance, depreciation, utilities, etc., are allowable costs. The applicant must indicate in the budget narrative whether or not they own the space that will be rented." The PTN did not identify in the budget narrative whether or not they owned the space to be rented. The PTN also stated it submitted GANs for grants 2014-TW-AX-0052 and 2015-WR-AX-0018 to reclassify insurance costs by replacing the "office space costs" category. GAN 8 for grant 2014-TW-AX-0052 was approved September 8, 2016. GAN 6 for grant 2015-WR-AX-0018 was approved September 16, 2016. Based on the approved GANs, questioned costs for unbudgeted insurance are reduced by \$1,022.18 for grant 2014-TW-AX-0052, and \$897.60 for grant 2015-WR-AX-0018. Total questioned costs for unbudgeted insurance for grants 2010-TW-AX-0066 and 2012-WR-AX-0021 are \$4,762.28.

For recommendation subpart e, the PTN disagreed with the recommendation and stated in its response it had submitted additional documentation supporting these costs. The PTN stated that rental costs were budgeted and that "rental/space costs include charges for the cost of ownership". The PTN cited the 2012 OVW Financial Grants Management Guide, page 59, which states "rental costs are generally allowable costs under the OVW programs. Applicants should list square footage and cost per square foot in the budget. The amount must be based on the space that will be allocated to implement the OVW project, not the costs of the entire rental space. Rental costs are not allowable for property owned by the applicant or if the applicant has a financial interest in the property. In this case only the costs of ownership, including maintenance costs, insurance, depreciation, utilities, etc., are allowable costs. The applicant must indicate in the budget narrative whether or not they own the space that will be rented." The PTN did not identify in the budget narrative whether or not they own the space to be rented. The PTN also stated it

submitted GANs for grants 2014-TW-AX-0052 and 2015-WR-AX-0018 to reclassify tax costs by replacing the "office space costs" category. GAN 8 for 2014-TW-AX-0052 was approved by the OVW on September 8, 2016. GAN 6 for grant 2015-WR-AX-0018 was approved by the OVW September 16, 2016. Based on the approved GANs, questioned costs for unbudgeted taxes are reduced by \$472.99 for grant 2014-TW-AX-0052. There were no tax expenses recorded for grant 2015-WR-AX-0018 at the time of our fieldwork, therefore, there were no questioned costs related to taxes. Total remaining questioned costs for unbudgeted taxes for grants 2010-TW-AX-0066 and 2012-WR-AX-0066 are \$1,870.26.

For recommendation subpart f, the PTN disagreed with the recommendation and stated in its response that it has submitted a GAN for grant 2015-WR-AX-0018 to approve costs of \$14,763.57 for an office support worker. GAN 6 for grant 2015-WR-AX-0018 was approved by the OVW on September 16, 2016. As a result, questioned costs related to an unbudgeted office support worker are reduced by \$14,763.57. Total questioned costs for unbudgeted office support worker for grant 2012-WR-A-0021 are \$42,138.19.

This recommendation can be closed when we receive evidence that the remaining \$72,321.95 in unbudgeted unallowable questioned costs have been remedied.

3. Ensure the PTN implements procedures to ensure adherence to award special conditions.

Resolved. The OVW concurred with the recommendation. The OVW stated in its response that it will coordinate with the PTN to ensure that it implements procedures to ensure adherence to award special conditions.

The PTN concurred with the recommendation. The PTN stated in its response that it is in the process of updating its Fiscal Policy and has contracted for assistance in that process.

This recommendation can be closed when we receive documentation demonstrating that the PTN developed and implemented policies and procedures that ensure adherence to award special conditions.

4. Ensure the PTN implements procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.

Resolved. The OVW concurred with the recommendation. The OVW stated in its response that it will coordinate with the PTN to ensure that it implements procedures to ensure supporting documentation for semi-annual Progress Reports is collected and maintained.

The PTN concurred with the recommendation. The PTN stated in its response that it is in the process of updating its Fiscal Policy and has contracted for assistance in that process.

This recommendation can be closed when we receive documentation demonstrating that the PTN developed and implemented policies and procedures that ensure documentation supporting semi-annual Progress Reports is collected and maintained.

5. Ensure the PTN implements procedures to ensure only allowable expenses are paid with federal funds and are properly supported.

Resolved. The OVW concurred with our recommendation. The OVW stated in its response that it will coordinate with the PTN to ensure that it implements procedures to ensure only allowable expenses are paid with federal funds and are properly supported.

The PTN concurred with the recommendation. The PTN stated in its response that it is in the process of updating its Fiscal Policy and has contracted with Tribal Support to assist in that process.

This recommendation can be closed when we receive documentation demonstrating that the PTN developed and implemented policies and procedures that ensure only allowable expenses are paid with federal funds and are properly supported.

6. Ensure the PTN implements policies and procedures to monitor subrecipients.

Resolved. The OVW concurred with the recommendation. The OVW stated in its response that it will coordinate with the PTN to ensure that it implements policies and procedures to monitor sub-recipients.

The PTN concurred with the recommendation. The PTN stated in its response that it is in the process of updating its Fiscal Policy and has contracted with Tribal Support to assist in that process.

This recommendation can be closed when we receive documentation demonstrating that the PTN developed and implemented policies and procedures that ensure subrecipients are properly monitored.

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