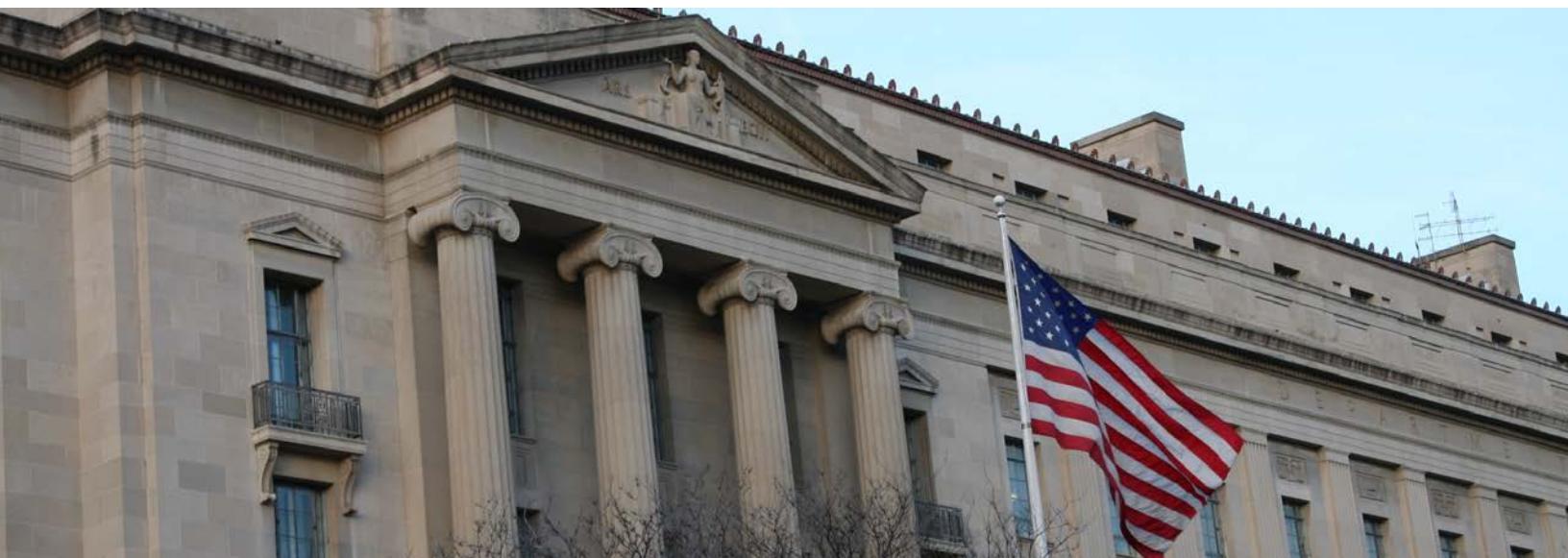




Office of the Inspector General

U.S. Department of Justice

OVERTSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office on Violence Against Women and Office of Justice Programs Grants Awarded to Catholic Charities, Diocese of Trenton, New Jersey



Executive Summary

Audit of the Office on Violence Against Women and Office of Justice Programs Grants Awarded to Catholic Charities, Diocese of Trenton, New Jersey

Objectives

The Office on Violence Against Women (OVW) awarded Catholic Charities, Diocese of Trenton (CCT), a cooperative agreement and a grant totaling \$699,999 for the Abuse of Women Later in Life, and Outreach and Services to Underserved Populations programs. The Office of Justice Programs (OJP) awarded CCT a separate cooperative agreement totaling \$598,102 for Specialized Services for Victims of Human Trafficking. The objectives of this audit were to determine whether costs claimed under the award-funded programs were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and to determine whether CCT demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that CCT demonstrated adequate progress towards achieving the stated goals and objectives of the two OVV awards we reviewed, while the OJP award was in its planning phase. However, the audit identified issues with CCT's accounting of grant funds, lack of support for personnel expenditures, and inadequate internal controls over award budgets. We also identified questioned costs totaling \$70,818.

Recommendations

Our report contains 11 recommendations to OVV and 3 recommendations to OJP. We requested a response to our draft audit report from CCT, OVV and OJP, which can be found in Appendices 3, 4, and 5 respectively. Our analysis of those responses is included in Appendix 6.

Audit Results

The purpose of the two OVV awards we reviewed were to enhance training and services to women who are victims of abuse later in life. The purpose of the OJP award we reviewed was to enhance the quality and quantity of specialized services available to assist victims of human trafficking. The project periods for the awards were from October 2012 through September 2020. As of August 2018, CCT drew down a cumulative amount of \$555,118 for all of the awards we reviewed.

Program Goals and Accomplishments – We found that CCT was adequately achieving the stated goals and objectives of the award-funded programs for the two OVV awards we reviewed. The OJP award was in its planning phase at the time of our fieldwork, therefore we could not test its implementation.

Grant Financial Management – We determined that CCT did not design or implement adequate or effective internal controls for the financial administration of the awards. Specifically, CCT did not use its accounting system to manage the awards, did not maintain adequate documentation to support financial administration of the awards, and did not have adequate policies and procedures related to award administration.

Grant Expenditures – We found CCT did not require certifications for those employees that worked entirely on award-funded activities, and did not require or maintain time and effort reports or justifications for consultant rates charged to the awards, resulting in \$17,440 in questioned costs. We also found CCT could not support other allocated costs such as rent and utilities, resulting in an additional \$44,753 in questioned costs.

Budget Management and Control – We determined CCT did not adequately manage its award budgets, transferring funds among budget categories in excess of the allowable 10 percent of total costs. This resulted in \$8,625 in questioned costs.

Award Drawdowns and Financial Reporting – We found CCT did not support drawdowns using appropriate accounting records, and determined that CCT did not support its Federal Financial Reports submitted to OVV and OJP using adequate accounting records.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN AND
OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO CATHOLIC CHARITIES,
DIOCESE OF TRENTON, NEW JERSEY**

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**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN AND
OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO CATHOLIC CHARITIES,
DIOCESE OF TRENTON, NEW JERSEY**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three awards that included a cooperative agreement and grant awarded by the Office on Violence Against Women (OVW), and a cooperative agreement awarded by the Office of Justice Programs (OJP) to Catholic Charities, Diocese of Trenton (CCT) in Trenton, New Jersey.¹ The total amount awarded through the three grants was \$1,298,101, as shown in Table 1.

Table 1
Grants Awarded to CCT

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2012-EW-AX-K002	OVW	08/30/2012	10/1/2012	06/30/2016	\$400,000
2016-UD-AX-0003	OVW	09/22/2016	10/1/2016	06/30/2019	\$299,999
2017-VT-BX-K024	OJP	09/28/2017	10/1/2017	09/30/2020	\$598,102
Total:					\$1,298,101

Source: Grants Management System (GMS)

Cooperative Agreement Number 2012-EW-AX-K002 was funded through the Enhanced Training and Services to End Violence Against and Abuse of Women in Later Life program. The purpose of the program was to increase and strengthen training for police, prosecutors, and the judiciary in recognizing, investigating, and prosecuting instances of abuse, neglect, exploitation, domestic violence, and sexual assault against older individuals; provide or enhance services for older victims; create or support multidisciplinary collaborative community responses to older victims; and conduct cross-training for victim service organizations, governmental agencies, courts, law enforcement, and nonprofit, nongovernmental organizations serving older victims.

Funding for Grant Number 2016-UD-AX-0003 was awarded through the Grants for Outreach and Services to Underserved Populations to develop and implement outreach strategies targeted at victims of domestic violence, dating violence, sexual assault, or stalking in underserved populations, and to provide victim services to meet the needs of such populations.

Cooperative Agreement Number 2017-VT-BX-K024 was awarded through the Specialized Services for Victims of Human Trafficking program. The purpose of this

¹ Cooperative agreements are used when the awarding agency expects to be substantially involved with the award's activities. We refer to cooperative agreements in this report as grants.

program was to enhance the quality and quantity of specialized services available to assist victims of human trafficking.

The Grantee

According to its website, CCT is a private, nonprofit organization that offers mental health, social, and crisis services to individuals and families, particularly those impacted by trauma and adversity. Each year, it provides addiction, domestic violence, mental health, specialized children counseling, trauma and abuse recovery and other treatment services to more than 100,000 individuals in central New Jersey. In addition, vulnerable residents are assisted with basic needs like food, clothing, and temporary housing as well as with vocational training and financial literacy in order to achieve self-sufficiency.

OIG Audit Approach

The objectives of this audit were 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 grants; and to determine whether CCT demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, 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 OVW Financial Grants Management Guide, the DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

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

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations, and grant documentation, and interviewed CCT officials to determine whether CCT demonstrated adequate progress towards achieving program goals and objectives. We also reviewed progress reports to determine if the required reports were accurate. Finally, we reviewed CCT's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The goals and objectives for Grant Numbers 2012-EW-AX-K002 and 2016-UD-AX-0003 were to help older victims of domestic abuse access services and financial resources to enable them to attain a better quality of life, and to increase capacity building and improving community responses to domestic abuse for aging victims of domestic abuse. To accomplish the goals and objectives of these awards, CCT provided resources to older victims of domestic abuse, including emergency shelter, nonresidential individual and group counseling, community education, and children's services. Additionally, CCT provided training to law enforcement to enhance responses to aging victims of domestic abuse. Based on our review, we found that CCT was adequately achieving the stated goals and objectives of the awards.

The goals and objectives for Grant Number 2017-VT-BX-K024 were to provide specialized services for victims of human trafficking. In addition, the program intended to support the increased capacity of communities to respond to human trafficking victims through the development of interagency partnerships, professional training, and public awareness activities. At the time of our audit, the grant program was in the planning stages, therefore we could not evaluate the progress towards its stated goals and objectives. In February 2019, CCT submitted a grant adjustment notice (GAN) to OJP explaining the delayed implementation of the grant was due to a leadership transition, as well as the hiring of program staff. We spoke with the OJP grant manager who stated OJP is in consistent communication with CCT and will provide assistance to CCT for implementation of the grant program if needed.

Required Performance Reports

According to the OVW and DOJ Guides, 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 progress reports, we selected a sample of 20 performance measures from the 2 most recent reports submitted for Grant Numbers 2012-EW-AX-K002 and 2016-UD-AX-0003. We traced the items to supporting documentation maintained by CCT. Grant Number 2017-VT-BX-K024 received funding in September 2017. As stated previously, at the time of our audit, the program was in its planning stages, therefore we did not test the progress

reports for that grant. Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation.

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 three special conditions for Grant Numbers 2012-EW-AX-K002 and 2016-UD-AX-0003, and two for Grant Number 2017-VT-BX-K024.

We identified one instance where CCT was not in compliance with the special conditions. For Grant Number 2017-VT-BX-K024, CCT was required to submit a revised time-task plan to the Office for Victims of Crime (OVC) within 30 days of the September 28, 2017, award date. This plan was to identify the completion dates of each task to be performed in meeting the funded-project's objectives. CCT submitted the plan during our fieldwork, on January 31, 2019, to OVC, 460 days late. As a result, we believe OJP was hindered in its efforts to monitor whether tasks were being completed in a timely manner. A CCT official said that the time-task plan was not submitted because of delays in initiating the grant, which was due to unavoidable leadership transitioning and hiring of program staff. Because the plan was submitted during the course of our audit, we make no recommendation here, but reiterate that steps should be taken to ensure that all special conditions should be administered appropriately.

Grant Financial Management

According to OVW and DOJ Guides, 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 CCT's internal controls over its financial management of the grants covered by this audit, we reviewed CCT's Single Audit Report for 2017 to identify internal control weaknesses and significant non-compliance issues related to federal awards. We also conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether CCT adequately safeguarded the funds we audited. Finally, we performed testing in the areas that were relevant for the management of the grants, as discussed throughout this report.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act requires recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed

annually covering all federal funds expended that year.² We reviewed the Single Audit report for 2017 and no issues were identified.

Accounting

CCT's Finance Department was responsible for the financial administration of the grants we audited. We found that CCT did not account for expenditures for each grant separately within its accounting system as required by the OVW and DOJ Guides. Rather than using a project code, or other identifying process, within its financial management system's general ledger or a subsidiary ledger as the primary means to track award-related expenditures, CCT maintained separate, electronic spreadsheets that listed individual amounts of expenditures. These electronic spreadsheets were used to track and report grant-related expenditures for Federal Financial Reports (FFRs) and drawdowns. However, we determined there were no controls in place to ensure the reliability of the data contained in the electronic spreadsheets, including reconciliations with the same information in CCT's financial management system. Specifically for CCT, we found that the spreadsheets were created outside of the financial management system and were not included in the financial audit of the organization, or subject to the internal controls of the financial management system. However, due to CCT's practice of maintaining spreadsheets separate from the accounting system, we were unable to fully evaluate CCT's financial reporting, matching, budget monitoring, and drawdown processes using CCT's financial system. We discussed this issue with CCT officials who stated that CCT accounted for transactions by program instead of by grant because the State of New Jersey, which provided CCT with other non-federal funding, required it. We were also told that CCT officials did not rely on the OVW or DOJ Guides in managing grant funds because not all employees responsible for grant management were aware of the requirements. They further stated that CCT's accounting system did not have the capability to isolate grant-funded expenditures. Regardless of its system's capabilities, CCT was required to track expenditures in compliance with the OVW or DOJ Guides. We recommend OVW and OJP ensure CCT establishes and implements written accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.

Internal Controls over Grant Administration

CCT's written grant administration policies and procedures were limited to accounting, payroll, billing, cash control, and other miscellaneous organizational policies and procedures. Based on our review of CCT's *Fiscal Policies and Procedures Manual*, we determined it did not develop adequate written administration policies and procedures for each of the areas we tested. As a result, we determined CCT grant administration policies and procedures were not designed to ensure compliance with the OVW and DOJ Guides. We further address these issues throughout the report.

² On December 26, 2014, the Uniform Guidance superseded OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Under OMB Circular A-133, which affected all audits of fiscal years beginning before December 26, 2014, the audit threshold was \$500,000.

Grant Expenditures

For the grants we audited, CCT's approved budgets included personnel, fringe benefits, travel, equipment, supplies, contractual, and other. In addition, the budget for Grant Number 2017-VT-BX-K024 included a 25 percent match requirement, totaling \$199,367, however CCT included an additional amount for the match requirement in its approved budget, resulting in a total match requirement of \$227,938.

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions associated with the personnel, fringe benefits, travel, supplies, contractual, and other budget categories. We reviewed documentation, electronic spreadsheets, accounting records, and performed verification testing related to grant expenditures. As discussed in the Financial Management section of this report, because CCT did not use its financial management system to track grant expenses, we utilized the electronic spreadsheets to determine the universe for testing grant expenditures and gaining an understanding of the risks associated with CCT's reliance on the electronic spreadsheets. We tested \$20,951 in personnel and fringe, and \$31,235 in other direct costs. While we found issues in the other budget categories we tested, we did not identify any issues within the supplies category. Based on our testing, we recommend that OVW remedy \$44,753 in questioned costs. The following sections describe the results of that testing.

Personnel and Fringe Costs

CCT charged a total of \$419,783 in personnel and fringe costs for the three grants we audited. To complete our review of personnel and fringe costs, we judgmentally selected two non-consecutive pay periods that included salaries and associated fringe benefits for each of the three grants audited. We tested a total of 30 personnel records, totaling \$16,289 in personnel and \$4,662 in fringe benefit costs. While we were able to verify that the amounts recorded in the electronic spreadsheets matched the supporting documentation, we found that the majority of the expenditures did not match CCT's accounting records.

According to the OVW and DOJ Guides, payroll records should reflect either after-the-fact distribution of actual activities or certifications of employee's actual work performed. Additionally, for employees working 100 percent of their time on a grant award, periodic certifications are to be prepared at least every 6 months and signed by both the employee and a supervisory official having firsthand knowledge of the employee's work. Based on our review of supporting documentation of personnel expenses, we found that prior to 2016, for employees allocating part of their time to grant related activities, CCT charged personnel expenditures to the grants based on the number of hours, amounts, and percentages approved in the grant budgets rather than actual time worked on a funded program. As a result, CCT's timesheets did not reflect actual time spent on the award. In 2016, CCT implemented a policy for documenting the allocation of time to the grants. Based on our review of the policy and supporting

documentation, we believe CCT adequately addressed the issue and was charging personnel and fringe benefits to the grants appropriately.

For employees working 100 percent of their time on grant-related activities, we found that CCT did not require them to complete periodic certifications. As a result, we recommend OVW and OJP ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.

Consultant Costs

CCT charged a total of \$30,432 in consultant costs, which included costs for conducting training and the associated travel costs for the training. To determine whether consultant expenditures were allowable and supported, we selected 18 expenditures, totaling \$18,340, for testing. We analyzed the expenditures to determine whether consultant invoices were computed correctly, properly authorized, properly supported, and accurately recorded in CCT's accounting records.

According to the OVW and DOJ Guides, time and effort reports are required for consultants, as well as justification of consultant rates as reasonable and consistent with that paid for similar services in the marketplace. Grant Number 2016-UD-AX-0003 included a special condition that stated that although prior approval was not required for consultant rates below \$650 per day, or \$81.25 per hour, CCT was required to maintain documentation to support all daily or hourly rates. Based on our review of supporting documentation and interviews with CCT officials, we determined CCT did not require consultants to provide time and effort reports to support the work performed. In addition, CCT did not document its justification for consultant rates. According to CCT officials, they were unaware of the requirement for maintaining time and effort reports for consultants. By not requiring consultants to submit time and effort reports, CCT can neither adequately manage the award nor ensure that federal funds are being adequately spent in accordance with the award objectives. As a result, we are questioning \$17,440 in consultant costs charged to Grant Numbers 2012-EW-AX-K002 and 2016-UD-AX-0003 as unsupported. We recommend OVW ensure CCT develops and implements policies to require consultants to complete time and effort reports for grant related activities. We also recommend OVW ensure CCT requires and maintains justifications for consultant rates for all consultants charged to the grants, as well as remedy the \$17,440 in unsupported consultant costs.

Travel Costs

CCT charged a total of \$21,265 in travel costs to the grants we audited. To determine whether travel costs were properly authorized, allowable, and supported, we selected a judgmental sample of 12 expenditures, totaling \$5,553. According to the OVW and DOJ Guides, travel expenses are allowable costs for employees who are in travel status on official business related to the award. These costs must be reasonable and in accordance with the organization's established travel policy. In

absence of an established travel policy, the organization must comply with the Federal Travel Regulations.

We reviewed CCT's travel policy, documented in its *2018 Employee Handbook of Personnel Policies & Procedures*, as well as other supporting documentation. CCT's policy required that, in order for an employee to be reimbursed for travel on behalf of CCT, the employee must submit a travel authorization Per Diem Request form to their immediate supervisor and/or director specifying the nature and reason for the trip. While we found that CCT's travel expenses were within established federal per diem rates and matched the amounts recorded in its financial management system, we determined that none of the expenditures we reviewed included a travel authorization. According to a CCT official, because no cash advances were taken and expenses were charged to a corporate credit card and paid by CCT, travel authorizations were not necessary. The CCT official also stated CCT would be developing a more comprehensive travel policy to ensure CCT's policy was consistent with Federal Travel Regulations. Without a robust travel policy, travel funds could be used inappropriately and costs incurred without consideration of cost benefit or cost justification. We recommend OVW ensure CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

Other Costs

For Grant Numbers 2012-EW-AX-K002 and 2016-UD-AX-0003, CCT charged \$44,753 to the grants for other costs, including rent, utilities, building maintenance, an annual audit, insurance, communications, and information technology. During our audit, we requested documentation supporting these expenditures charged to the grants. CCT was unable to provide supporting documentation for any of these charges. CCT stated these were allocated costs and the amounts charged to the grants were from the approved budget and no additional support such as invoices, bills, or allocation methodologies were provided. As a result, we are questioning all of the expenditures related to other costs, totaling \$44,753 as unsupported, and recommend that OVW remedies \$44,753 in the unsupported allocated costs. We also recommend OJP ensure CCT implements written policies and procedures to adequately document the methodology for allocating other costs.

Matching Costs

Matching costs are the non-federal recipient's share of the total project costs. The budget for Grant Number 2017-VT-BX-K024 included a 25 percent match requirement, totaling \$199,367. In its approved budget, CCT included an additional amount for the match of \$28,571, resulting in a total match requirement of \$227,938. According to its approved budget, CCT intended to match federal funds using non-federal funds for a portion of the project costs for personnel, fringe benefits, travel, equipment, supplies, consultants, and other costs. As discussed in the Financial Management section of this report, rather than using its financial management system, CCT used electronic spreadsheets to track and report grant-related expenditures. At the time of our audit CCT had not drawn down any funds

under this grant; however, based on our review, we did not identify indications that CCT was deficient in its matching cost obligations.

Budget Management and Control

According to the OVW and DOJ Guides, 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 the grant expenditures to the approved budgets to determine whether CCT transferred funds among budget categories in excess of 10 percent. As discussed in the Financial Management section of this report, rather than using its financial management system, CCT used electronic spreadsheets to track and report grant-related expenditures by budget category. As a result, we compared the grant expenditures that were maintained within the electronic spreadsheets to the approved budgets. We found for Grant Number 2012-EW-AX-K002, CCT did not adhere to the OVW approved budget and exceeded the 10 percent threshold by \$48,625, without receiving proper authorization from OVW.

According to supporting documentation, in October 2015, CCT requested a budget modification to ensure it complied with the 10 percent rule. In response to the request, OVW requested that CCT attach the copy of its revised budget for a budget modification. However, CCT did not submit a copy of the required documentation and, once the grant period ended, OVW denied the GAN. We found that the difference between category expenditures and the approved budget category totals, exceeded 10 percent by \$8,625. Therefore, we recommend OVW remedy the \$8,625 in unallowable costs.

Drawdowns

According to the OVW and DOJ Guides, 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. We found the drawdowns matched CCT's electronic spreadsheets, and that as of August 2018, CCT had drawn down \$400,000, representing the entire award for Grant Number 2012-EW-AC-K002. For Grant Number 2016-UD-AX-0003, CCT had drawn down \$155,118 of the \$299,999 awarded. No funds had been drawn down for Grant Number 2017-VT-BX-K024.

As discussed in the Financial Management section of this report, we were unable to assess whether CCT managed grant receipts in accordance with federal requirements. Because the accounting records contained non-grant related transactions, we were not able to compare drawdowns to the total expenditures in the accounting records. As a result, we recommend that OJP ensure CCT develops

policies and procedures for drawing down award funds based on grant-related expenditure data in its financial management system.

Federal Financial Reports

According to the OVW and DOJ Guides, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether CCT submitted accurate FFRs, we compared the four most recent reports to CCT's spreadsheets of grant expenditures.

As discussed in the Financial Management section of this report, rather than using its financial management system, CCT used electronic spreadsheets to track and report grant-related expenditures for FFRs and drawdowns. As a result, we were unable to verify that the information reported on the FFRs matched CCT's accounting records. However, we found that the FFRs matched CCT's electronic spreadsheets that were used for testing purposes throughout the audit. We recommend that OVW and OJP ensure CCT develops policies and procedures for completing FFRs based on grant-related expenditure data in its financial management system.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we conclude that CCT did not adhere to all of the grant requirements we tested, but demonstrated adequate progress towards achieving the grants' stated goals and objectives. However, we found that CCT did not comply with essential award conditions related to grant management, grant expenditures, budget management, drawdowns and FFRs. We provide 14 recommendations to address these deficiencies.

We recommend that OVW:

1. Ensure CCT establishes and implements written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.
2. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.
3. Ensure CCT develops and implements policies to require consultants to complete time and effort reports for grant-related activities.
4. Ensure CCT requires and maintains justifications for consultant rates for all consultants charged to the grants.
5. Remedy the \$17,440 in unsupported consultant cost.
6. Ensure CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.
7. Remedy \$44,753 in unsupported allocated costs.
8. Ensure CCT implements written policies and procedures to adequately document the methodology for allocating other costs.
9. Remedy \$8,625 as unallowable costs outside of the 10-percent budget transfer rule.
10. Ensure CCT develops policies and procedures for drawing down award funds based on grant related expenditure data in its financial management system.
11. Ensure CCT develops policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

We recommend that OJP:

12. Ensure CCT establishes and implements written grant accounting policies and procedures, to track expenditures in compliance with applicable federal guidelines.

13. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.
14. Ensure CCT develops policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

APPENDIX 1

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were 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; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

This was an audit of OVW Abuse of Women Later in Life Program Grant Number 2012-EW-AX-K002 for \$400,000, OVW Outreach and Services to Underserved Populations Grant Number 2016-UD-AX-0003 for \$299,999, and OJP Specialized Services for Victims of Human Trafficking grant number 2017-VT-BX-K024 for \$598,102 awarded to CCT. As of August 2018, CCT had drawn down \$555,118 of the total grant funds awarded. Our audit concentrated on, but was not limited to August 2012, the award date for Grant Number 2012-EW-AX-K002, through January 2019, the last day of our audit work. Grant number 2012-EW-AX-K002 was fully expended and closed.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of CCT's activities related to the audited grants. We performed sample-based audit testing for grant expenditures, however, because CCT's financial management system was not used to track award-specific expenditures, we utilized electronic spreadsheets that listed individual expenditure amounts to perform our testing. 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. We also noted the limitations of our testing within the financial reporting, matching, budget monitoring, and drawdown sections of this report as CCT did not utilize its financial system to identify and track grant expenditures, or ensure that the spreadsheets utilized to track such expenditures were included within its internal control processes. The OVW and DOJ Guides, 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, as well as CCT'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 were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs³:		
Unsupported Consultant Costs	\$17,440	7
Unsupported Allocated Costs	<u>\$44,753</u>	8
Unsupported Costs	\$62,193	
10 Percent Budget Transfer Rule	<u>\$8,625</u>	9
Unallowable Costs	\$8,625	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$70,818</u>

³ **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, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3

CATHOLIC CHARITIES DIOCESES OF TRENTON RESPONSE TO THE DRAFT AUDIT REPORT⁴

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May 20, 2019

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U.S. Department of Justice
701 Market Street, Suite 2300
Philadelphia, PA 19106

Dear Mr. Puerzer:

This letter is in response to the draft audit report, received April 23, 2019, issued by the U.S. Department of Justice (DOJ), Office of Inspector General (OIG), Philadelphia Regional Office for the following grants:

Office of Violence against Women (OVW)
2012-EW-AX-K002
2016-UD-AX-0003

Office of Justice Programs (OJP)
2017-VT-BX-K024

Catholic Charities Diocese of Trenton (CCT) responses to the recommendations in the report are listed below. CCT welcomes this opportunity to improve its efficiency, administration, and delivery of services to those that are affected by abuse, domestic violence and human trafficking. We look forward to working with the Office of Justice programs to effectively implement the recommendations of the audit team and improve our program as well.

The Abuse Later in Life grant (2012-EW-AX-K002) level of service goal was 60 aging victims of domestic abuse and staff far exceed the goal by reaching 140 unduplicated clients. Additionally, CCT exceed level of service goals for individual counseling as well as case management services provided to clients. CCT provided 228 units of individual counseling as compared to the goal of 120 units and 1,703 units of case management were provided as compared to the contract goal of 400.

renewing *lives*, restoring *hope*.

383 West State Street • P.O. Box 1423 • Trenton, New Jersey 08607-1423
609-394-5181 • 800-642-0218 • Fax 609-695-6978

⁴ Attachments to this response were not included in this final report.

With funding from the Underserved Populations Grant (2016 – ED-AX-0003), Catholic Charities' Providence House Domestic Violence Services not only provided critical training to law enforcement to identify and address domestic abuse in older victims, it exceeded its goal to provide direct assistance to 100 victims of domestic abuse over the age of 55.

Through both the Abuse Later in Life and the Underserved Populations grants CCT staff trained over 300 police officers in Ocean County about elder abuse as well as provided advanced training on the issue for detectives.

Please let this letter serve as the official response of CCT to the recommendations included in the audit report as listed below.

Response to draft audit report:

1. Ensure CCT establishes and implements written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.

CCT concurs with this recommendation. The following has occurred since the date of the audit:

CCT has developed written policies and procedures for federal grant management. (Attachment 1) These policies and procedures will be reviewed with any new federal grant program staff when an award is made and staff will be provided with yearly training to review and ensure compliance with these policies and procedures.

Our Controller attended the Thompson grants Federal Grants Forum Training and Completed the DOJ Grants Financial Management Training online in February, 2019. Currently she is enrolled in the OVCTTAC NVAA Financial Management Class. She will be overseeing all the financial reporting and compliance of any federal awards.

The Program director for our OJP grant 2017-VT-BX-K024 has completed the OVCTTAC NVAA Financial Management Class and the Business Manager for this program is currently enrolled in the training.

2. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed as required.

CCT concurs with this recommendation. Payroll Certifications will be required of all staff whose time is charged to a federal grant. The Grant Accountant will print from the payroll system these certifications and coordinate the signatures from the employee and supervisor. The Controller will verify that these certifications are completed timely and will make any adjustments to the general ledger for any variations in the reported time and effort percentage indicated.

Education of staff on these certifications will be provided upon grant award and with any change of staff. These procedures will be reviewed with staff on an annual basis.

3. Ensure CCT develops and implements policies to require consultants to complete time and effort reports for grant-related activities.

CCT concurs with this recommendation. CCT has established policies for consultant time and effort reports (Attachment 1) and training will be conducted for all grant staff to become familiar with this policy. A sample of this time and effort report is included. (Attachment 2)

4. Ensure CCT requires and maintains justifications for consultant rates for all consultants charged to grants.

CCT concurs with this recommendation. CCT has established policies and procedures to ensure that justifications for consultant rates are maintained. See policy and procedure manual (Attachment 1). The program director will be responsible for ensuring this is completed before any request for funds is made.

5. Remedy the \$17,440 in unsupported consultant costs.

CCT concurs with this recommendation. Program staff has supporting documentation that was understood to be the necessary approval for these costs.

6. Ensure CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste and abuse.

CCT concurs with this recommendation. CCT has developed policies and procedures with regard to travel – see the attached policy and procedure manual (Attachment 1) relating to the travel policy.

7. Remedy \$44,753 in unsupported allocated costs.

CCT concurs with this recommendation. Originally, budgeted costs were requested as part of the draw down. CCT has incurred the costs in question and they were necessary for providing services funded by the grant. These costs are now being justified using an allocation of salary dollars against actual costs incurred. See attachment 2 for the actual costs allocated each grant.

8. Ensure CCT implements written policies and procedures to adequately document the method of allocating other costs.

CCT concurs with this recommendation. CCT recognizes the importance of standard allocation methods. CCT is in the process of defining and documenting allocation methods for shared costs throughout the agency.

9. Remedy \$8,625 as unallowable costs outside of the 10-percent budget transfer rule.

CCT concurs with this recommendation. A former CCT Staff Accountant understood that the approval of the no cost extension was also an approval of the budget modification. Documented expenses related to this were used to provide services funded by the grant.

The 10-percent budget transfer rule is now being carefully monitored.

10. Ensure CCT develops policies and procedures for drawing down award funds based on grant related expenditures in its financial management system.

CCT concurs with this recommendation. Each grant fund award is currently set up with its own unique cost center in the general ledger system. Only revenue and expense items relating to the grant will be included in the cost center. Previously, CCT followed the NJ Department of Human Services reporting rules which called for combining and reporting all costs related to Domestic Violence Services.

CCT is researching various grant accounting modules to determine if they will enhance the grant reporting process, ensuring that each grant is accounted for separately.

11. Ensure CCT develops policies and procedures for completing FFR's based on grant related expenditure data in its financial management system.

CCT concurs with this recommendation. CCT has policies and procedures in place to ensure all grant reported expenditure data reconciles to the general ledger system. The establishment of separate cost centers for each grant will support this. The Controller will provide oversight to ensure the correct reporting of all federal grant funds.

12. Ensure CCT establishes and implements written grant accounting policies and procedures, to track expenditures in compliance with applicable federal guidelines.

CCT concurs with this recommendation. CCT has developed a grant management policies and procedure manual (Attachment 1) and is implementing training for current staff and new staff responsible for federal grant programs.

Our Controller attended the Thompson grants Federal Grants Forum Training and Completed the DOJ Grants Financial Management Training online in February, 2019. She is overseeing all

the financial reporting and compliance of any federal awards. Currently she is enrolled in the OVCTTAC NVAA Financial Management Class.

The Program director for our OJP grant 2017-VT-BX-K024 has completed the OVCTTAC NVAA Financial Management Class and the Business Manager for this program is currently enrolled in the training.

13. Ensure CCT implements and adheres to written policies to ensure periodic certifications are completed, as required.

CCT concurs with this recommendation. Payroll Certifications will be required of all staff whose time is charged to a federal grant. The Grant Accountant will print from the payroll system these certifications and coordinate the signatures from the employee and supervisor. The Controller will verify that these certifications are completed timely and will make any adjustments to the costs for any time differences indicated.

Education of staff on these certifications will be provided upon grant award and with any change of staff. These procedures will be reviewed with staff on an annual basis.

14. Ensure CCT develops policies and procedures for completing FFR's based on grant related expenditure data in its financial management system.

CCT concurs with this recommendation. CCT has policies and procedures in place to ensure all grant reported expenditure data reconciles to the general ledger system. The establishment of separate cost centers for each grant will support this. The Controller will provide oversight to ensure the correct reporting of all federal grant funds.

We believe Catholic Charities Diocese of Trenton DOJ funded programs are of the highest quality and meet the needs of the clients we serve who have dealt with abuse, domestic violence and human trafficking. As noted above we are working diligently to implement new policies and procedures to ensure compliance with DOJ regulations and guidelines.

Thank you for your consideration of Catholic Charities Diocese of Trenton's responses to the recommendations in the draft report. If you have any questions or concerns please do not hesitate to contact George Bontcue, Associate Executive Director Fiscal Affairs at (609) 394-5181 extension 1112 or Debra Elko, Controller at (609) 394-5181 extension 1172.

APPENDIX 4

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

June 4, 2019

MEMORANDUM

TO: Thomas O. Puerzer
Regional Audit Manager

FROM: Nadine M. Neufville *NNM*
Deputy Director, Grants Development and Management

Donna Simmons *AS*
Associate Director, Grants Financial Management Division

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence
Against Women and Office of Justice Programs Grants
Awarded to Catholic Charities, Diocese of Trenton

This memorandum is in response to your correspondence dated April 23, 2019 transmitting the above draft audit report for the Catholic Charities, Diocese of Trenton (CCT). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains thirteen recommendations with \$70,818 in Total Questioned Costs. There are eleven recommendations identified for the Office on Violence Against Women (OVW) and two recommendations identified for the Office of Justice Programs (OJP). OVW is committed to addressing and bringing the open recommendations identified by your office to a close as quickly as possible. The following is our analysis of each OVW recommendation.

1. Ensure CCT establishes and implements written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.

Concur: OVW will work with the grantee to ensure that they establish and implement written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.

2. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women and Office of Justice Programs Grants Awarded to Catholic Charities, Diocese of Trenton

Concur: OVW will work with the grantee to ensure that they implement and adhere to written policies and procedures to ensure periodic certifications are completed, as required.

3. Ensure CCT develops and implements policies to require consultants to complete time and effort reports for grant-related activities.

Concur: OVW will work with the grantee to ensure that they develop and implement policies to require consultants to complete time and effort reports for grant-related activities.

4. Ensure CCT requires and maintains justifications for consultant rates for all consultants charged to the grants.

Concur: OVW will work with the grantee to ensure that they require and maintain justifications for consultant rates for all consultants charged to the grants.

5. Remedy the \$17,440 in unsupported consultant cost.

Concur: OVW will work with the grantee to remedy the \$17,440 in unsupported consultant costs.

6. Ensure CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

Concur: OVW will work with the grantee to ensure that they develop and implement travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

7. Remedy \$44,753 in unsupported allocated costs.

Concur: OVW will work with the grantee to remedy the \$44,753 in unsupported allocated costs.

8. Ensure CCT implements written policies and procedures to adequately document the methodology for allocating other costs.

Concur: OVW will work with the grantee to ensure that they implement written policies and procedures to adequately document the methodology for allocating other costs.

9. Remedy \$8,625 as unallowable costs outside of the 10-percent budget transfer rule.

Concur: OVW will work with the grantee to remedy the \$8,625 in unallowable costs outside of the 10-percent budget transfer rule.

10. Ensure CCT develops policies and procedures for drawing down award funds based on grant related expenditure data in its financial management system.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women and Office of Justice Programs Grants Awarded to Catholic Charities, Diocese of Trenton

Concur: OVW will work with the grantee to ensure that they develop policies and procedures for drawing down award funds based on grant related expenditure data in its financial management system.

11. Ensure CCT develops policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

Concur: OVW will work with the grantee to ensure that they develop policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

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 at (202) 514-9820.

cc Richard P. Theis
 Assistant Director, Audit Liaison Group
 Internal Review and Evaluation Office
 Justice Management Division

Janice Green
Program Manager
Office on Violence Against Women

APPENDIX 5

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

MAY 30 2019

Washington, D.C. 20531

MEMORANDUM TO:

Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM:

Ralph E. Martin
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office on Violence Against Women and Office of Justice Programs Grants Awarded to the Catholic Charities, Diocese of Trenton, New Jersey*

This memorandum is in reference to your correspondence, dated April 23, 2019, transmitting the above-referenced draft audit report for the Catholic Charities, Diocese of Trenton (CCT). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **14** recommendations and **\$70,818** in questioned costs; of which three recommendations are directed to the Office of Justice Programs (OJP), and the remaining 11 recommendations and \$70,818 in questioned costs are directed to the Office on Violence Against Women (OVW). The following is the OJP's analysis of the draft audit report recommendations directed to OJP. For ease of review, the recommendations directed to OJP (Recommendation Numbers 12-14) are restated in bold and are followed by our response.

- 12. We recommend that OJP ensure CCT establishes and implements written grant accounting policies and procedures, to track expenditures in compliance with applicable Federal guidelines.**

OJP agrees with this recommendation. With its response to the draft audit report, CCT provided a copy of its *Federal Grant Management Policies and Procedures Manual*, developed and implemented in May 2019, for its management of Federal grant funds. CCT stated that it is implementing training for current and new staff responsible for managing Federal grant programs. However, OJP does not believe that CCT has adequately addressed this recommendation, as the Manual does not specifically state how CCT will track grant expenditures to ensure compliance with applicable Federal Guidelines. In addition, the Manual provided was not signed and approved by an authorizing CCT official. Accordingly, we will coordinate with CCT to obtain a copy of

written policies and procedures, developed and implemented, to ensure that it tracks expenditures in compliance with applicable Federal grant management and accounting guidelines.

13. We recommend that OJP ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.

OJP agrees with this recommendation. With its response to the draft audit report, CCT provided a copy of its *Federal Grant Management Policies and Procedures Manual*, developed and implemented in May 2019, for its management of Federal grant funds. CCT stated that it requires all CCT employees, funded through Federal grants, to complete monthly Personnel Certification Reports that record time spent working on grant and non-grant activities. These procedures appear adequate to address this recommendation; however, the Manual provided was not signed and approved by a CCT authorizing official. Accordingly, we will coordinate with CCT to obtain a copy of the approved and finalized policies and procedures, to ensure that periodic certifications are completed, as required.

14. We recommend that OJP ensure CCT develops policies and procedures for completing FFR, based on grant-related expenditure data in its financial management system.

OJP agrees with this recommendation. With its response to the draft audit report, CCT provided a copy of its *Federal Grant Management Policies and Procedures Manual*, developed and implemented in May 2019, for its management of Federal grant funds. CCT stated that separate cost centers for each grant will be established to ensure all grant-reported expenditures reconcile to the general ledger system. However, OJP does not believe that CCT has adequately addressed this recommendation, as the Manual does not specifically include information regarding separate cost centers for each grant; nor does it state how CCT will complete its quarterly Federal Financial Reports (FFRs) to ensure that grant expenditures are accurately reported. In addition, the Manual provided was not signed and approved by an authorizing CCT official. Accordingly, we will coordinate with CCT to obtain written policies and procedures, developed and implemented, to ensure that it completes its FFRs, based on grant-related expenditure data from its financial management system.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Matt M. Dummermuth
Principal Deputy Assistant Attorney General

Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

cc: LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Darlene L. Hutchinson
Director
Office for Victims of Crime

Tracey Trautman
Principal Deputy Director
Office for Victims of Crime

Allison Turkel
Deputy Director
Office for Victims of Crime

Katherine Darke-Schmitt
Deputy Director
Office for Victims of Crime

Kathrina S. Peterson
Acting Deputy Director
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

Doresa Payton
Grant Program Specialist
Office for Victims of Crime

Charlotte Grzebien
Deputy General Counsel

Robert Davis
Acting Director
Office of Communications

Leigh Benda
Chief Financial Officer

cc: Christal McNeil-Wright
Associate Chief Financial Officer
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Office of the Chief Financial Officer

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Katharine Sullivan
Acting Director
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Nadine M. Neufville
Deputy Director
Grant Development and Management
Office on Violence Against Women

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

Rodney Samuels
Audit Liaison
Office on Violence Against Women

Susan Mince
Deputy Director
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20190424151948

APPENDIX 6

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

The OIG provided a draft of this audit report to the Catholic Charities, Diocese of Trenton (CCT), the Office on Violence Against Women (OVW), and the Office of Justice Programs (OJP). CCT's response is incorporated in Appendix 3, and OVW's and OJP's responses are incorporated in Appendix 4 and 5 of this final report. In response to our draft audit report, CCT concurred with the recommendations and provided additional information. OVW concurred and OJP agreed 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.

Recommendations for OVW:

- 1. Ensure CCT establishes and implements written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure that CCT establishes and implements written grant accounting policies and procedures to track expenditures in compliance with applicable federal guidelines.

CCT concurred with our recommendation and stated in its response that it has developed written policies and procedures for federal grant management, and CCT staff has attended training for federal grants.

This recommendation can be closed when we receive documentation demonstrating that CCT has implemented policies and procedures to track expenditures in compliance with applicable federal guidelines.

- 2. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure that CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.

CCT concurred with our recommendation and stated in its response payroll certifications will be required for all staff whose time is charged to a federal grant. In addition, CCT stated that education of staff on these certifications will be provided upon grant award and with any change of staff.

This recommendation can be closed when we receive documentation

demonstrating that CCT has implemented policies and procedures to ensure periodic certifications are completed, as required.

3. Ensure CCT develops and implements policies to require consultants to complete time and effort reports for grant-related activities.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure that CCT develops and implements policies to require consultants to complete time and effort reports for grant-related activities.

CCT concurred with our recommendation and stated in its response that it has established policies for consultant time and effort reports and training will be conducted for staff.

This recommendation can be closed when we receive documentation demonstrating that CCT has developed and implemented policies requiring consultants to complete time and effort reports for grant-related activities.

4. Ensure CCT requires and maintains justifications for consultant rates for all consultants charged to the grants.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure that CCT requires and maintains justifications for consultant rates for all consultants charged to the grants.

CCT concurred with our recommendation and stated in its response that it has established policies and procedures to ensure that justifications for consultant rates are maintained.

This recommendation can be closed when we receive documentation demonstrating that CCT requires and maintains justifications for consultant rates for all consultants charged to the grants.

5. Remedy the \$17,440 in unsupported consultant cost.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to remedy the \$17,440 in unsupported consultant costs.

CCT concurred with our recommendation and stated in its response that its staff has supporting documentation that was understood to be the necessary approval for these costs.

This recommendation can be closed when OVW remedies the \$17,440 in unsupported consultant cost.

6. Ensure CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

Resolved. OVW concurred with our recommendation. OVW stated in its response it will work with CCT to ensure that CCT develops and implements travel policies and procedures to ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

CCT concurred with our recommendation and stated in its response that it has developed policies and procedures with regard to travel.

This recommendation can be closed when we receive documentation demonstrating that CCT has developed and implemented policies and procedures that ensure federal funds are used in the best interest of an award program and safeguarded against potential fraud, waste, and abuse.

7. Remedy \$44,753 in unsupported allocated costs.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to remedy the \$44,753 in unsupported allocated costs.

CCT concurred with our recommendation and stated in its response that originally, budgeted costs were requested as part of the draw down, and it had incurred the costs in question and the costs were necessary for providing services funded by the grant. However, CCT stated the costs are now being justified using an allocation method.

This recommendation can be closed when OVW remedies the \$44,753 in unsupported allocated costs.

8. Ensure CCT implements written policies and procedures to adequately document the methodology for allocating other costs.

Resolved. OVW concurred with our recommendation. OVW stated in its response it will work with CCT to ensure that CCT implements written policies and procedures to adequately document the methodology for allocating other costs.

CCT concurred with our recommendation and stated in its response it is in the process of defining and documenting allocation methods for shared costs throughout the agency.

This recommendation can be closed when we receive documentation demonstrating that CCT has implemented written policies and procedures to adequately document the methodology for allocating other costs.

9. Remedy \$8,625 as unallowable costs outside of the 10-percent budget transfer rule.

Resolved. OVW concurred with our recommendation. OVW stated in its response it will work with CCT to remedy the \$8,625 in unallowable costs outside of the 10-percent budget transfer rule.

CCT concurred with our recommendation and stated in its response it understood that the approval of the no cost extension was also an approval of the budget modification, and that documented expenses related to this were used to provide services funded by the grant.

This recommendation can be closed when OVW remedies the \$8,625 in unallowable costs outside of the 10-percent budget transfer rule.

10. Ensure CCT develops policies and procedures for drawing down award funds based on grant related expenditure data in its financial management system.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure that CCT develops policies and procedures for drawing down award funds based on grant related expenditure data in its financial management system.

CCT concurred with our recommendation and stated in its response that each grant fund award is currently set up with its own unique cost center in the general ledger system. CCT is researching grant modules to determine if they will enhance the grant reporting process, ensuring that each grant is accounted for separately.

This recommendation can be closed when we receive documentation demonstrating that CCT has developed policies and procedures for drawing down award funds based on grant-related expenditure data in its financial management system.

11. Ensure CCT develops policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with CCT to ensure CCT develops policies and procedures for completing FFRs based on grant-related expenditure data in its financial management system.

CCT concurred with our recommendation and stated in its response it has policies and procedures in place to ensure all grant reported expenditure data reconciles to the general ledger system and the establishment of separate cost centers for each grant will support this. Additionally, the Controller will provide oversight to ensure correct reporting of all federal grant funds.

This recommendation can be closed when we receive documentation demonstrating that CCT has developed policies and procedures for completing FFRs based on grant-related expenditure data in its financial management system.

Recommendations for OJP:

- 12. Ensure CCT establishes and implements written grant accounting policies and procedures, to track expenditures in compliance with applicable federal guidelines.**

Resolved. OJP agreed with our recommendation. OJP stated in its response CCT provided a manual and implemented training for staff managing federal grant programs. However, OJP stated it does not believe CCT adequately addressed the recommendation, as the manual does not specifically state how CCT will track grant expenditures and the manual was not signed and approved by an authorizing CCT official. Therefore, OJP will coordinate with CCT to obtain written policies and procedures, developed and implemented, to ensure that it tracks expenditures in compliance with applicable federal grant management and accounting guidelines.

CCT concurred with our recommendation and stated in its response CCT has developed a manual and is implementing training for current staff and new staff responsible for federal grant programs.

This recommendation can be closed when we receive documentation demonstrating that CCT has established and implemented written grant accounting policies and procedures, to track expenditures in compliance with applicable federal guidelines.

- 13. Ensure CCT implements and adheres to written policies and procedures to ensure periodic certifications are completed, as required.**

Resolved. OJP agreed with our recommendation. OJP stated in its response CCT provided a manual requiring all CCT employees funded through federal grants, to complete monthly Personnel Certification Reports that record time spent working on grant and non-grant activities. According to OJP the procedures appear adequate to address this recommendation, however, the manual was not signed and approved by an authorizing CCT official. Therefore, OJP will coordinate with CCT to obtain a copy of the approved a finalized policies and procedures, to ensure that periodic certifications are completed, as required.

CCT concurred with our recommendation and stated in its response payroll certifications will be required for all staff whose time is charged to a federal grant.

This recommendation can be closed when we receive documentation supporting that CCT has implemented and adheres to written policies and procedures to ensure periodic certifications are completed, as required.

14. Ensure CCT develops policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.

Resolved. OJP agreed with our recommendation. OJP stated in its response CCT provided a manual. However, OJP stated it does not believe that CCT adequately addressed this recommendation, since the manual does not specifically include information regarding separate cost centers for each grant, nor does it state how CCT will complete its quarterly FFRs to ensure that grant expenditures are accurately reported. Additionally, the manual was not signed and approved by an authorizing CCT official. OJP stated it will coordinate with CCT to obtain written policies and procedures, developed and implemented, to ensure that it completes its FFRs, based on grant-related expenditure data from its financial management system.

CCT concurred with our recommendation and stated in its response it has policies and procedures in place to ensure all grant reported expenditure data reconciles to the general ledger system.

This recommendation can be closed when we receive documentation demonstrating that CCT has developed policies and procedures for completing FFRs based on grant related expenditure data in its financial management system.



The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations.

To report allegations of waste, fraud, abuse, or misconduct regarding DOJ programs, employees, contractors, grants, or contracts please visit or call the **DOJ OIG Hotline** at oig.justice.gov/hotline or (800) 869-4499.

U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL
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Washington, DC 20530 0001

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