



Audit of the Office on Violence Against Women
Grants Awarded to the South Dakota
Coalition Ending Domestic and Sexual Violence,
Pierre, South Dakota



AUDIT DIVISION

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REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the grantee's response, and are of individuals' names.



Executive Summary

Audit of the Office on Violence Against Women Grants Awarded to the South Dakota Coalition Ending Domestic and Sexual Violence, Pierre, South Dakota

Objectives

The Office on Violence Against Women (OVW) awarded the South Dakota Coalition Ending Domestic and Sexual Violence (SDCEDSV) two grants under the State Sexual Assault and Domestic Violence Coalitions Program. These grants totaled \$930,758. 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 award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that the SDCEDSV demonstrated adequate achievement of goals and objectives related to training. However, SDCEDSV did not achieve goals related to providing webinars and translation of a booklet addressing sexual assault to Spanish. SDCEDSV officials also could not provide documentation supporting the development of an information card for law enforcement agencies. We also determined that the SDCEDSV did not adhere to all of the grant requirements we tested. We identified discrepancies related to progress reports, internal controls, document retention, and inaccurate financial reports. We also identified \$168,481 in net questioned costs.

Recommendations

Our report contains six recommendations for OVW. We requested responses to our draft audit report from OVW and the SDCEDSV, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the grants we reviewed were to provide trainings, materials, and technical assistance to member agencies. The project period for the grants was from September 2015 through February 2020. The SDCEDSV drew down \$930,758 for the grants we reviewed, or 100 percent of the total grants.

Program Goals and Accomplishments – Based on our review we did not note any indications that the SDCEDSV did not achieve the stated goals and objectives of grant 2015-MU-AX-0017. However, for grant 2017-MU-AX-0020, SDCEDSV officials explained that two goals related to developing webinars and translating a booklet addressing sexual assault into Spanish were not accomplished due to staff turnover. SDCEDSV officials also could not provide documentation supporting the development of an information card for use by law enforcement agencies.

Progress Report Accuracy and Support – SDCEDSV did not maintain adequate supporting documentation for all of the 16 progress report measures sampled. We noted that the SDCEDSV did not provide any supporting documentation for 8 of the 16 progress report measures in our sample.

Discrepancies with Internal Controls – We noted several discrepancies related to internal controls, including insufficient segregation of duties.

Direct and Contractor Costs – We reviewed 60 transactions; totaling \$117,481 and identified \$101,104 (86 percent) in questioned costs. This includes unsupported and unallowable direct and contractor costs.

Excess Drawdowns and Expenditures After End of Grant – We determined that grant drawdowns exceeded expenditures in accounting records for grant 2017-MU-AX-0020 by \$62,446. We also noted that 25 transactions were dated after the grant end date; totaling \$9,190; and were therefore, unallowable.

Unbudgeted Costs – We noted that equipment costs; totaling \$4,207; were charged to grant 2015-MU-AX-0017 but were not in the approved budget and were therefore, unallowable.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO THE SOUTH DAKOTA COALITION ENDING DOMESTIC AND
SEXUAL VIOLENCE, PIERRE, SOUTH DAKOTA**

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE SOUTH DAKOTA COALITION ENDING DOMESTIC AND SEXUAL VIOLENCE, PIERRE, SOUTH DAKOTA

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two grants awarded by the Office on Violence Against Women (OVW), State Sexual Assault and Domestic Violence Coalitions Program, to the South Dakota Coalition Ending Domestic and Sexual Violence (SDCEDSV) in Pierre, South Dakota. The two grants awarded to SDCEDSV totaled \$930,758, as shown in Table 1.

Table 1

Grants Awarded to the SDCEDSV

Grant Number	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2015-MU-AX-0017				
Supplement 00 (Initial Award)	09/24/2015	09/01/2015	08/31/2016	\$213,978
Supplement 01	09/06/2016	09/01/2015	02/28/2018	\$239,532
2017-MU-AX-0020				
Supplement 00 (Initial Award)	09/05/2017	09/01/2017	08/31/2018	239,136
Supplement 01	09/28/2018	09/01/2017	02/29/2020	238,112
Total:				\$930,758

Source: OJP Grants Management System

Funding through the State Sexual Assault and Domestic Violence Coalitions Program supports the enhancement of coalitions by funding specific projects and is a set-aside program under OVW's STOP Violence Against Women Formula Grant Program. Statewide sexual assault coalitions provide direct support through funding, training, and technical assistance to member domestic violence shelters and other domestic violence victim service programs.

The Grantee

The SDCEDSV is dedicated to the reclamation of the respect, autonomous and safe status of women who have been battered/raped, and their children and therefore is committed to the elimination of personal and societal violence in the lives of women and their children. SDCEDSV works for the major societal changes necessary to eliminate all forms of oppression, particularly those aimed at women and their children. This work includes: (1) coalition building at the state, local, regional, tribal, and national levels; (2) support for the community-based nonviolent alternatives; (3) public education and technical assistance; policy development and innovative legislation; (4) focus on the leadership of SDCEDSV's caucuses and task forces developed to represent the concerns of

organizationally under-represented groups; and (5) efforts to eradicate societal conditions which contribute to violence against women and children.

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 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.

We tested compliance with what we consider to be the most important conditions of the grants. The 2015 and 2017 DOJ Grants Financial Guides (hereafter referred as 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 documentation, and interviewed SDCEDSV officials to determine whether the SDCEDSV demonstrated adequate achievement of the program goals and objectives. We also reviewed the progress reports submitted by SDCEDSV, and relevant supporting documentation, to determine if the required reports were accurate. Finally, we reviewed SDCEDSV's compliance with the selected special conditions identified in the award documentation.

Program Goals and Objectives

We noted that the goals and objectives for grant 2015-MU-AX-0017 included to meaningfully increase access to OVW programming for specific underserved populations, increase support for sexual assault victims, and to strengthen and revitalize coordinated community response. We selected a sample of goals and objectives pertaining to strengthening community responses. We reviewed documentation that had been provided as part of our review of progress reports pertaining to this sample. We noted documentation where SDCEDSV coordinated task forces to address enhance services for women in rural communities and native American women, as well as services related to crisis calls. Based on our review, there were no indications that the SDCEDSV was not adequately achieving the sampled goals and objectives of grant 2015-MU-AX-0017.

For grant 2017-MU-AX-0020, we noted the following goals and objectives:

1. Provide two statewide trainings to member programs and other stakeholders in the prevention and ending of domestic and sexual violence.
2. Provide two webinars to member programs and other interested parties regarding domestic and sexual violence advocacy related to emerging trends in the field.
3. Translate an already developed and published booklet addressing sexual assault into Spanish.
4. Develop an information card for law enforcement agencies for investigation and arrest.
5. Provide technical assistance and training to member programs regarding sexual assault victim advocacy, funding, and coordinated community response.
6. Coordinate a community awareness campaign during each April, focusing on sexual violence and to continue community awareness campaign throughout the year.

We judgmentally selected a sample of objectives to examine, specifically, objectives one through four shown above. We requested documentation from the SDCEDSV that would support the accomplishment of the sampled objectives. We reviewed supporting documentation provided by SDCEDSV, including documentation that we had also requested for Progress Reports. After reviewing documentation, we noted adequate support for SDCEDSV's accomplishments related to only one of objective one's two statewide trainings. Further, SDCEDSV officials explained that they were unable to complete objectives two and three due to staff turnover. For objective four, SDCEDSV officials explained that this objective had been completed, but they did not provide documentation to support this accomplishment. Therefore, we noted four instances where SDCEDSV either did not accomplish grant objectives or could not support grant accomplishments. Therefore, we recommend that OVW coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of accomplishments is maintained.

Required Performance Reports

According to the 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 semiannual progress reports, we selected a sample of 4 performance measures from the 2 most recent reports submitted for each grant, for a total sample size of 16. We then traced the items to supporting documentation maintained by SDCEDSV.

SDCEDSV explained that for progress reports they gather agendas, sign-in sheets, information from training presenters, and meeting minutes to compile information for progress reports. When reviewing SDCEDSV policies and procedures, we noted that the responsibility for progress reports was listed in the duties of the Administrative Co-Director.¹ However, the policies did not provide specific directions about what documentation should be maintained or how the progress report information should be compiled and submitted to OVW.

When reviewing progress reports, we noted that SDCEDSV provided information pertaining to trainings, meetings with member agencies, and technical assistance activities. Our sample included information about trainings provided, people trained, meetings convened, and technical assistance activities. However, we noted eight instances of material differences between the documentation provided and the information reported to OVW as well as eight instances where SDCEDSV was unable to provide any supporting documentation. We recommend that OVW coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.

¹ SDCEDSV officials clarified that the title of the Administrative Co-Director was changed to Executive Director but was not updated in their policies and procedures.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the grants. We evaluated the special conditions and selected for each grant, a judgmental sample of two of the requirements that were significant to performance and were not addressed in another section of this report. We evaluated timing of expenditures and approval of grant budgets as well as restrictions related to supplanting. Based on our sample, we did not identify any instances of SDCEDSV violating the special conditions we reviewed.

Grant Financial Management

According to the 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 SDCEDSV's financial management of the grants covered by this audit, we conducted interviews with SDCEDSV officials, examined SDCEDSV policies and procedures, and inspected grant documents to determine whether the SDCEDSV adequately safeguarded the grant funds we audited. Also, 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 concluded that grant financial management related to document retention; unsupported and unallowable direct costs, contractor costs, and personnel costs; drawdowns in excess of grant expenditures, unbudgeted expenditures, and segregation of duties could be improved.

During our review of controls for cash management, we reviewed bank reconciliations and related supporting documentation. First, we selected a sample of two bank reconciliations to compare grant expenditures, identify who signed checks, and to determine if expenditures correlated to SDCEDSV's bank statements. However, we only received the complete bank reconciliation for one of the months sampled. We noted in our transaction testing and in our review of this reconciliation and bank statement that the same SDCEDSV official authorized payment vouchers and signed checks for payment of these vouchers. When we discussed this with SDCEDSV officials they concurred that these instances occurred. To achieve adequate internal control, these are duties that should be separated.

SDCEDSV policies describes individual employee's responsibilities, but not overall processes, such as achieving adequate separation of cash handling and accounting duties. We also noted that SDCEDSV uses an external accounting firm. However, this accounting firm, was not responsible for auditing or verifying expenditures to ensure that they were allowable with the grant funding that SDCEDSV receives. As described in the Grant Expenditures section of this report, we noted some costs as unallowable. During our transaction testing, we also noted 8 of the 60 expenditures sampled were either not included in the approved budget or did not apply to the grant's goals and objectives. If

other SDCEDSV officials were involved in the approval and allocation process this may have been prevented.

According to the DOJ Grants Financial Guide, separation of duties is a key internal control that establishes procedures for financial transactions where no one person can execute the entire procedure alone. For example, the same person processing expenditures should not be the only person reviewing, approving, and signing the check for the expenditure. Without other SDCEDSV officials involved in the process, and with the limited responsibilities of the external accounting firm, only one person is responsible for the proper allocation of expenditures to the grants. Therefore, there was a significant discrepancy related to a lack of segregation of duties both in SDCEDSV's policies and in practice. Therefore, we recommend that OVW coordinate with the SDCEDSV to establish policies and procedures that adequately establishes separation of duties.

We also noted a significant concern related to turnover at the Executive Director position. Since the start date of grant 2015-MU-AX-0017, there have been four instances where SDCEDSV reported a change in the Executive Director position. We also noted that during our audit, the Executive Director position became vacant. In our judgment, several changes in senior management raises a concern related to maintaining a stable and controlled environment.

Grant Expenditures

For Grant Numbers 2015-MU-AX-0017 and 2017-MU-AX-0020, the SDCEDSV's approved budgets included personnel, fringe benefit, travel, supplies, contractual, and administrative costs like rent and utilities. To determine whether costs charged to the grants were allowable, supported, and properly allocated in compliance with grant requirements, we tested a sample of transactions. For each grant we selected a judgmental sample of 30 direct and contractor cost transactions; for a total of 60 expenditures; totaling \$117,481. We also selected five bi-weekly pay periods with transactions totaling \$18,020. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. Based on this testing, we recommend that OVW remedy \$101,159 in questioned costs. The following sections describe the results of that testing.

Direct and Contractor Costs

According to the DOJ Grants Financial Guide, grant recipients must have a financial management system in place that is able to record and report on the receipt, obligation, and expenditure of grant funds, including direct and contract expenses against the grants.

As mentioned previously, we reviewed documentation that SDCEDSV provided for the 60 transactions selected in our sample. During our review, we noted that 43 of the 60 transactions, totaling \$80,824, did not have adequate supporting documentation, including invoices, signed contracts, documentation to support allocations between the grants and

other funding sources, or documentation of program activities. When we discussed this with SDCEDSV officials, they were unable to provide additional supporting documentation and explained that they had hired filing clerks to organize records, but that none had done so properly. As a result, SDCEDSV was unable to locate additional supporting documentation. Therefore, we determined that the 43 transactions; totaling \$80,824; were unsupported and we recommend that OVW remedy these unsupported costs.

We also identified eight transactions totaling \$14,280 that either were not included in the approved budget or did not apply to the grant's goals and objectives. These expenditures included costs for office furniture, contracts for administrative duties, excess per diem, postal services, and a reimbursement to another program. We determined that these costs were unallowable, and we recommend that OVW remedy these unallowable costs.

Personnel Costs

According to the budget for both grants, funds were approved for payroll and fringe benefit costs like FICA, workers compensation, and unemployment compensation. We reviewed documentation from a sample of personnel transactions for five pay periods during the scope of our audit. During our review, we determined that five of the payroll transactions we selected; totaling \$6,055 were unsupported either due to SDCEDSV not providing adequate supporting documentation or documentation that did not contain adequate detail for costs allocated to the grants. We recommend that OVW remedy the \$6,055 in unsupported personnel costs.

Budget Management and Control

According to the 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 grant. Additionally, the grant recipient must initiate a Grant Adjustment Notice 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 SDCEDSV transferred funds among approved budget categories in excess of 10 percent. We found that the SDCEDSV reallocated funds among approved budget categories for grants 2015-MU-AX-0017 and 2017-MU-AX-0020 within the 10 percent threshold allowed in the DOJ Grants Financial Guide.² However, as shown in Table 2, SDCEDSV had obligated 11 expenditures totaling \$4,207 to grant 2015-MU-AX-0017 that were categorized as "Equipment", a category that was not approved in the grant budget.

² As shown in Table 3, we also noted that total spending obligated to grant 2015-MU-AX-0017 was greater the total award amount.

Table 2

Comparison of 2015-MU-AX-0017 Grant Budget to Grant Expenditures

Budget Category	Budget Amount	Grant Expenditures	Difference
Personnel	\$203,689	\$193,167	\$(10,522)
Fringe Benefits	68,588	69,615	1,207
Travel	74,415	80,775	6,360
Equipment	-	4,207	4,207
Supplies	26,703	46,718	20,015
Contractual	56,577	71,922	15,345
Other	23,538	40,674	17,136

Source: OJP Grants Management System and SDCEDSV Accounting Records

We contacted SDCEDSV officials regarding the equipment budget category, however no additional information was provided. Therefore, we determined that the \$4,207 in equipment expenditures were unallowable. We recommend OVW remedy the \$4,207 in unallowable expenditures obligated to grant 2015-MU-AX-0017 under an unapproved budget category.

Drawdowns

According to the 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. SDCEDSV officials explained that they would draw down funds in advance based on knowledge of recurring bills and payroll, as well as for upcoming events. We noted that SDCEDSV had drawn down the total dollar value of both grants as of the time of our audit. To assess whether SDCEDSV managed grant receipts in accordance with federal requirements, as shown in Table 3, we compared the total amount reimbursed to the total expenditures in the SDCEDSV accounting system.

Table 3

Comparison of Grant Drawdowns to Grant Expenditures

Grant Number	Award Amount	Amount of Award Drawn Down	Cumulative Grant Expenditures ³	Difference
2015-MU-AX-0017	\$453,510	\$453,510	\$507,078	\$(53,568)
2017-MU-AX-0020	477,248	477,248	414,802	62,446

Source: OJP Grants Management System and SDCEDSV Accounting Records

³ The cumulative expenditures are as of March 26, 2020, based on the most current version of the accounting records provided to the OIG.

For grant 2015-MU-AX-0017, we determined that the grant had ended and was closed out on June 22, 2018. Therefore, for our analysis we compared total drawdowns to expenditures obligated to grant 2015-MU-AX-0017 for the life of the grant. After comparing the total expenditures that were dated within the grant period to total drawdowns, we determined that expenditures exceeded drawdowns by \$53,568. Therefore, we did not note discrepancies related to drawdowns for grant 2015-MU-AX-0017.⁴

For grant 2017-MU-AX-0020, we also noted that the grant had reached the end of its performance period (period ending February 29, 2020) but had not been closed out. However, we determined that the last drawdown for the grant was made on February 7, 2020. Since the grant had reached the end of its performance period, we also compared the cumulative drawdowns to cumulative expenditures within the performance period of the grant.

We determined that cumulative drawdowns for grant 2017-MU-AX-0020 exceeded cumulative expenditures dated within the grant period by \$62,446. According to the DOJ Grants Financial Guide, organizations should request funds based upon immediate disbursements/reimbursement requirements. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated. Draw down requests should be timed to ensure that Federal cash on hand is the minimum needed for disbursements/reimbursements to be made immediately or within 10 days. If not spent or disbursed within 10 days, funds must be returned to the awarding agency. Therefore, we determined that the \$62,446 difference between SDCEDSV accounting records and drawdowns to be unsupported. We recommend that OVW remedy the \$62,446 in unsupported drawdowns.

We also determined that SDCEDSV officials continued to obligate expenditures to grant 2017-MU-AX-0020 after the grant end date of February 29, 2020. Based on a review of an extract of the general ledger as of March 26, 2020, we noted that 30 transactions totaling \$14,475 were dated from March 1, 2020, to March 26, 2020. According to the DOJ Grants Financial Guide, any costs that are incurred after the expiration of the project period are not allowable. During our review of grant-related personnel costs, we noted that 6 of the 30 transactions totaling just under \$5,285 were dated after February 29, 2020 but were incurred within the grant period. However, SDCEDSV officials did not provide any information regarding the remaining 24 transactions totaling \$9,190 that were dated from March 1, 2020, through March 26, 2020. Therefore, we determined that these remaining 24 expenditures are unallowable. We recommend that OVW remedy the \$9,190 in unallowable costs incurred or obligated after the end date of the grant.

⁴ We had determined that there were 97 transactions; totaling \$40,222; that were dated after the end date of grant 2015-MU-AX-0017. However, we also determined that cumulative expenditures exceeded cumulative drawdowns at the end date of the grant. Therefore, we did not note a concern related to the expenditures dated after the end date of the grant.

Federal Financial Reports

According to the DOJ Grants Financial Guide, 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 the SDCEDSV submitted accurate Federal Financial Reports (FFRs), as shown in Table 4, we compared the four most recent reports to the SDCEDSV's accounting records for each grant.

Table 4
FFR Accuracy

Report #	Quarterly Expenditures Difference (Qtr. Exp. per GL – Qtr. Exp. per FFR)	Cumulative Expenditures Difference (Cumulative Exp. per GL – Cumulative Exp. per FFR)
Grant Number: 2015-MU-AX-0017		
8	\$ 5,416	\$ (50,180)
9	6,366	(43,815)
10	36,230	(7,585)
11	20,931	13,346
Grant Number: 2017-MU-AX-0020		
7	-	\$ (38,768)
8	\$ 59,400	20,632
9	29,464	50,096
10	69,207	119,303

Source: OJP Grants Management System and SDCEDSV Accounting Records

We found that the FFRs did not match SDCEDSV's accounting records for both grants. We reached out to SDCEDSV officials about our conclusion; however, they did not provide a response at the time of this report. Therefore, we recommend that OVW coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we concluded that the SDCEDSV demonstrated adequate achievement of goals and objectives related to training. However, SDCEDSV did not achieve goals related to providing webinars and translation of a booklet addressing sexual assault to Spanish. SDCEDSV officials also could not provide documentation supporting the development of an information card for law enforcement agencies. We also determined that the SDCEDSV did not adhere to all of the grant requirements we tested. Additionally, we found that the SDCEDSV did not comply with essential award conditions related to segregation of duties, grant expenditures, budget management, drawdown management, and Federal Financial Reports. We did not identify significant issues regarding SDCEDSV's adherence to grant special conditions. We provide six recommendations to OVW to address these deficiencies.

We recommend that OVW:

1. Coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.
2. Coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.
3. Coordinate with the SDCEDSV to establish policies and procedures that adequately establish proper separation of duties.
4. Remedy the \$27,677 in unallowable questions costs related to the \$14,280 in unallowable direct and contractor costs; \$4,207 in unallowable equipment costs; and \$9,190 in expenditures charged after the end date of the grant.
5. Remedy the \$149,325 in unsupported questioned costs related to the \$80,824 in unsupported direct and contractor costs; \$6,055 in unsupported personnel costs; and \$62,446 in excess drawdowns.
6. Coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

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

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

This was an audit of Office on Violence against Women (OVW) grants awarded to the South Dakota Coalition Ending Domestic and Sexual Violence (SDCEDSV) under the Grants to State Sexual Assault and Domestic Violence Coalitions Program. Through Grant 2015-MU-AX-0015 SDCEDSV was awarded \$453,510 and through Grant 2017-MU-AX-0020 SDCEDSV was awarded \$477,248, and as of March 11, 2020, had drawn down all the grant funds awarded. Our audit concentrated on, but was not limited to September 24, 2015, the award date for Grant Number 2015-MU-AX-0015, through August 25, 2020, the end of our audit work. We noted that Grant Number 2015-MU-AX-0017 had reached the end of its grant period and had been closed out by OVW. We also noted that grant 2017-MU-AX-0020 had reached the end of its grant period and is in the process of being closed out as of this report.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the SDCEDSV's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, progress reports, and program performance. 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 2015 DOJ Grants Management Guide, the 2017 Grants Management Guide and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from Office of Justice Programs' Grants Management System as well as the SDCEDSV'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. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the SDCEDSV to provide assurance on its internal control structure as a whole. The SDCEDSV's management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. §200. Because we do not express an opinion on the SDCEDSV's internal control structure as a whole, we offer this statement solely for the information and use of the SDCEDSV and OVW.⁵

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective(s):

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives.

We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect the SDCEDSV's ability to effectively and efficiently operate, to correctly state financial and/or performance information, and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to these internal control components and underlying

⁵ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Grant/Contract No.</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:			
Unallowable Direct and Contractor Costs	2015-MU-AX-0017	\$11,425	7
Unallowable Direct and Contractor Costs	2017-MU-AX-0020	2,854	7
Unallowable Equipment Costs	2015-MU-AX-0017	4,207	8
Costs Incurred After End Date of Grant	2017-MU-AX-0020	<u>9,190</u>	10
Unallowable Costs		\$27,677	
Excess Drawdowns	2017-MU-AX-0020	\$62,446	9
Unsupported Personnel Costs	2015-MU-AX-0017	2,101	7
Unsupported Personnel Costs	2017-MU-AX-0020	3,954	7
Unsupported Direct and Contractor Costs	<u>2015-MU-AX-0017</u>	<u>57,877</u>	7
Unsupported Direct and Contractor Costs	<u>2017-MU-AX-0020</u>	<u>22,947</u>	7
Unsupported Costs		\$149,325	
<i>Gross Questioned Costs</i> ⁶		<i>\$177,002</i>	
Less Duplicate Questioned Costs ⁷		<u>(8,521)</u>	
Total Net Questioned Costs		\$168,481	

⁶ **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.

⁷ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$8,521 in direct costs and contractor costs that were both unallowable and unsupported.

**SOUTH DAKOTA COALITION ENDING DOMESTIC AND SEXUAL
VIOLENCE'S RESPONSE TO THE DRAFT AUDIT REPORT**

Nov 10th 2020

SDCEDSV Audit Response

Transaction Report

SDCEDSV understands that at the time of Transaction sampling, we were still looking for documents. Also, Items were sent from the coalition printer scanner to the OIG auditor with no spread sheet which may have been overlooked. The SDCEDSV has started the process in making sure all documentation is in the appropriate files moving forward. SDCEDSV is beginning the process to create policy regarding financial policy including but not limited to filing as organization moves forward. Some of the transaction samples have some coding errors and have been corrected and will be sent to OIG upon receipt of report. SDCEDSV has had leadership turnover through out the years of the audit, which has been an issue with a lot of the transaction miscoding, and misfiling of many documents that were requested and searched for. AS the SDCEDSV moves forward, changes will be made in regards to efficient and effective filing system, as well as Strong Communication with Co- Directors. You will see some documentation to the changes to the coding with the bookkeeper at [REDACTED]

November 10, 2020

SDCEDSV Audit Response

Progress Reports:

SDCEDSV acknowledges that at the time of the sampling of the progress reports for both 2015-MU-AX-0017 and 2017-MU-AX-0020, there was information that was not readily available for OIG review. SDCEDSV found discrepancies between what was reported in the OIG Audit Summary and the progress reports submitted by SDCEDSV for the sampling. SDCEDSV also believes one of the findings in the report is due to mistyped data. SDCEDSV is taking measures to ensure all reports are reviewed more than once before submission.

There has been a lot of transition within the SDCEDSV organization, which has included several different individuals in the leadership role and the moving of the entire office. After a closer review of all documentation in the office of SDCEDSV, there were several items that were listed on the "progress report" portion of the OIG Summary Report recovered. This documentation is attached to the response SDCEDSV is submitting. The information will also be correctly filed within the SDCEDSV office and will be available for review.

SDCEDSV is working to create policy regarding training and technical assistance files. SDCEDSV is also developing the forms needed to efficiently document the data from the training, conferences, webinars, and other activities to be included in the progress reports in the future. The organization has also made the requirement to have copies of all documentation that is used to complete any progress report to be included in the hard copy report file and kept in office as stated in the SDCEDSV Document Storage Policy.

Budget – Equipment:

The finding from the OIG Audit summary shows a total of \$4,207.46 in equipment purchase for SDCEDSV. SDCEDSV acknowledges that despite the fact the equipment was needed to complete activities for SDCEDSV to reach the goals and objectives it set; the items purchased

were done so in an unallowable manner. This again, goes back to the leadership turnover for the organization. It is clear the budget was not reviewed and used in making the decisions behind the purchases.

SDCEDSV has taken steps to ensure there are mechanisms in place within the organization to ensure all purchases are reviewed by both co-directors. This will allow for a review of the budget to make sure there is a line item to support the spending. If there is not a line item, a grant adjustment of a budget modification will be done prior to any purchases for items not included in the original budget.

Draw downs:

The sampling done for the draw downs from the OIG Audit summary show a coding problem. SDCEDSV reviewed its coding system with the organization's bookkeeping firm. It was found that the items under review by OIG were miscoded. This brought forth more investigation by both SDCEDSV and Anderson & Neil, Associates to correct the issue.

SDCEDSV currently has the coalition grant as the funding source for the organization. There were some mistakes located by the bookkeeper in regard to the beginning and end dates to the award. This directly affects the drawdowns and spending done. SDCEDSV also had a previous director who made some administrative coding changes that caused even more confusion within the communication between the SDCEDSV and its bookkeeper.

SDCEDSV has worked with the organization's bookkeeping firm to ensure all coding is current and correct. The communication will be stronger as the organization moves forward.

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



U.S. Department of Justice

Office on Violence Against Women

Washington, DC, 20530

November 9, 2020

MEMORANDUM

TO: David Sheeren
Regional Audit Manager

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

Donna Simmons *DS*
Associate Director, Grants Financial Management Unit

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence
Against Women Grants Awarded to the South Dakota Coalition
Ending Domestic and Sexual Violence, Pierre, South Dakota

This memorandum is in response to your correspondence dated October 20, 2020 transmitting the above draft audit report for the South Dakota Coalition Ending Domestic and Sexual Violence (SDCEDSV). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains six recommendations with \$168,481 in Total Questioned Costs. 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. Coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.

Concur: OVW will coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.

2. Coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.

MEMORANDUM:

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the South Dakota Coalition Ending Domestic and Sexual Violence, Pierre, South Dakota

Concur: OVW will coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.

3. Coordinate with the SDCEDSV to establish policies and procedures that adequately establish proper separation of duties.

Concur: OVW will coordinate with the SDCEDSV to establish policies and procedures that adequately establish proper separation of duties.

4. Remedy the \$27,677 in unallowable questions costs related to the \$14,280 in unallowable direct and contractor costs; \$4,207 in unallowable equipment costs; and \$9,190 in expenditures charged after the end date of the grant.

Concur: OVW will work with the SDCEDSV to remedy the \$27,677 in unallowable questions costs related to the \$14,280 in unallowable direct and contractor costs; \$4,207 in unallowable equipment costs; and \$9,190 in expenditures charged after the end date of the grant.

5. Remedy the \$149,325 in unsupported questioned costs related to the \$80,824 in unsupported direct and contractor costs; \$6,055 in unsupported personnel costs; and \$62,446 in excess drawdowns.

Concur: OVW will work with the SDCEDSV to remedy the \$149,325 in unsupported questioned costs related to the \$80,824 in unsupported direct and contractor costs; \$6,055 in unsupported personnel costs; and \$62,446 in excess drawdowns.

6. Coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

Concur: OVW will coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

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 Louise M. Duhamel, Ph.D.
Acting Director, Internal Review and Evaluation Office
Audit Liaison Group, Justice Management Division

Latonya Eaddy
Program Manager
Office on Violence Against Women

MEMORANDUM:

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the South Dakota Coalition Ending Domestic and Sexual Violence, Pierre, South Dakota

Emma West-Rasmus
Program Manager
Office on Violence Against Women

Thelma Bailey
Program Assistant
Office on Violence Against Women

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 South Dakota Coalition Ending Domestic and Sexual Violence (SDCEDSV) and the Office on Violence Against Women (OVW) for review and final comment. SDCEDSV did not state in its response, found in Appendix 3 of this final report, whether it concurred with our recommendations. OVW's response is included in Appendix 4, in which it concurred with our recommendations. As a result, the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OVW:

1. **Coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.**

Resolved. OVW concurred with our recommendation and stated in its response that it will coordinate with the SDCEDSV to ensure that goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.

In its response to the draft report, SDCEDSV did not address this recommendation.

This recommendation can be closed when we receive documentation showing that SDCEDSV has established policies and procedures that ensure that the goals and objectives in future grants are met and that the documentation of their accomplishments is maintained.

2. **Coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.**

Resolved. OVW concurred with our recommendation and stated in its response that it will coordinate with the SDCEDSV to establish policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.

SDCEDSV did not agree or disagree with our recommendation. In its response to the draft report, SDCEDSV stated, there was information related to the sampled progress reports that was not readily available for OIG review. Also, concerning our progress report findings, SDCEDSV stated that it found discrepancies between the details that we discussed with SDCEDSV officials prior to the issuance of the draft report and the progress reports submitted by SDCEDSV for our review. Further, SDCEDSV stated that the findings in the report were due to mistyped data.

However, SDCEDSV did not provide any additional documentation to support these statements.

SDCEDSV also stated that during a closer review of the documentation at its office, it identified documents that were not provided to the OIG during the audit. Finally, SDCEDSV indicated that it is taking action and developing policies and procedures to ensure progress reports are accurate and that supporting documentation is maintained and filed properly.

This recommendation can be closed when we receive documentation showing that SDCEDSV has established policies and procedures to ensure that progress reports are compiled with valid and auditable source documentation and that documentation is adequately maintained.

3. Coordinate with the SDCEDSV to establish policies and procedures that adequately establish proper separation of duties.

Resolved. OVW concurred with our recommendation and stated in its response that it will coordinate with the SDCEDSV to establish policies and procedures that adequately establish proper separation of duties.

In its response to the draft report, SDCEDSV did not address this recommendation.

This recommendation can be closed when we receive documentation showing that the SDCEDSV has established policies and procedures that adequately establish proper separation of duties.

4. Remedy the \$27,677 in unallowable questions costs related to the \$14,280 in unallowable direct and contractor costs; \$4,207 in unallowable equipment costs; and \$9,190 in expenditures charged after the end date of the grant.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with the SDCEDSV to remedy the unallowable costs related to unallowable direct and contractor costs, unallowable equipment costs, and \$9,190 in expenditures charged after the end date of the grant.

SDCEDSV did not agree or disagree with our recommendation. In its response to the draft report, SDCEDSV officials acknowledged that throughout the years they have had issues with transaction miscoding and misfiling documents. SDCEDSV also stated that some of the coding errors have been corrected, but did not indicate if the coding errors and misfiled documents resulted in unallowable costs being charged to the awards. Along with the response to the draft report, SDCEDSV officials provided additional documentation related to the unallowable costs in this recommendation, as well as the unsupported questioned costs in Recommendation 5 of this report.

We reviewed the documentation and determined that it does address the unallowable costs and our conclusions made in this report. Therefore, we maintain our finding that SDCEDSV charged unallowable costs to the grants.

In addition, based on our review of the additional documentation provided in response to the unsupported questioned costs in Recommendation 5, we identified an unallowable direct cost transaction totaling \$3,850 for advertising costs that were not in the approved budget. We will work with OVW to determine whether it agrees that the \$3,850 in unbudgeted costs are unallowable.

SDCEDSV stated that it has taken steps to ensure there are mechanisms in place to ensure all purchases are reviewed by both co-directors and are allowable under the awards. However, SDCEDSV did not provide any additional documentation showing that the mechanisms have been implemented or that it has established policies and procedures to help ensure that costs charged to the awards are allowable.

This recommendation can be closed when we receive documentation showing that OVW has remedied the \$27,677 in unallowable questioned costs.

5. Remedy the \$149,325 in unsupported questioned costs related to the \$80,824 in unsupported direct and contractor costs; \$6,055 in unsupported personnel costs; and \$62,446 in excess drawdowns.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with the SDCEDSV to remedy the unsupported costs related to unsupported direct and contractor costs, unsupported personnel costs, and excess drawdowns.

SDCEDSV did not agree or disagree with our recommendation. In its response to the draft report, SDCEDSV officials acknowledged that throughout the years they have had issues with transaction miscoding and misfiling documents; as a result, they could not find all of the necessary supporting documentation for the transactions included in our sample testing. SDCEDSV officials also stated that they have started a process to make sure all documentation is in the appropriate files moving forward.

Along with the response to the draft report, SDCEDSV officials provided additional documentation related to the unsupported and unallowable questioned costs. Based on our review of the additional documentation, we determined that it appears to support \$22,632 of the \$ questioned costs. We will work with OVW to determine whether it agrees that \$22,632 in unsupported costs have been remedied.

SDCEDSV also explained that the analysis done for drawdowns showed a coding problem due to a previous director who made coding changes that caused

confusion between SDCEDSV and its bookkeeper. SDCEDSV stated that it has a coalition grant as the funding source for the organization and that there were mistakes located by the bookkeeper regarding the beginning and end dates of the award. However, SDCEDSV did not provide any additional documentation to explain the coding errors, where they occurred, or how these coding errors affect the \$62,446 in unsupported excess drawdowns identified in this report.

This recommendation can be closed when we receive documentation showing that OVW has remedied the \$149,325 in unsupported questioned costs.

6. Coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

Resolved. OVW concurred with our recommendation and stated in its response that it will coordinate with the SDCEDSV to develop policies and procedures that ensures that information reported in FFRs is accurate and supported.

In its response to the draft report, SDCEDSV did not address this recommendation.

This recommendation can be closed when we receive documentation that SDCEDSV has developed policies and procedures that ensures that information reported in FFRs is accurate and supported.