



Audit of Office of Justice Programs and Office on
Violence Against Women Cooperative Agreements
Awarded to White Bison, Inc.,
Colorado Springs, Colorado

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21-092

JULY 2021



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs and Office on Violence Against Women Cooperative Agreements Awarded to White Bison, Inc., Colorado Springs, Colorado

Objectives

The Office of Justice (OJP) awarded White Bison, Inc., (White Bison) a cooperative agreement totaling \$469,195 under the OJP Fiscal Year 2016 Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide Project. Additionally, the Office on Violence Against Women (OVW) awarded White Bison a cooperative agreement totaling \$400,000 under the OVW Fiscal Year 2018 Training and Technical Assistance Initiative. The objectives of this audit were to determine whether costs claimed under the cooperative agreements were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the awardee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we did not identify significant concerns regarding White Bison's compliance with select special conditions and certain aspects of budget management. However, we identified concerns regarding White Bison's compliance with program performance and accomplishments, performance reports, the use of funds, federal financial reports (FFR), and policies and procedures. We also identified \$24,669 in unsupported questioned costs and \$24,150 in unallowable costs, resulting in total questioned costs of \$48,819.

Recommendations

Our report contains six recommendations to OJP and OVW. We requested a response to our draft audit report from White Bison, OJP, and OVW, 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 OJP award was to provide support and healing to American Indian and Alaska Native survivors of homicide. The purpose of the OVW award was to provide direct technical assistance to enhance and support recipient and subrecipient efforts to successfully implement projects supported by OVW grant funds. White Bison drew down a cumulative amount of \$348,674 from the awards in our scope.

Program Performance and Accomplishments

We determined that White Bison made progress in achieving the goals and objectives for Award Number 2016-VF-GX-K008, but it did not provide ongoing technical assistance. Additionally, White Bison was unable to achieve the goals and objectives of Award Number 2018-TA-AX-K008 because the award was mutually terminated with almost 95 percent of the funds returned to OVW. We also identified four performance reports that were inaccurate or unsupported.

Grant Financial Management

We determined that White Bison did not have policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, or System for Award Management verification.

Grant Expenditures

We identified \$24,669 in unsupported contractor and consultant, payroll, and other direct costs and \$24,150 in unallowable indirect, contractor and consultant, and other direct costs. We also identified a conflict of interest which was not disclosed to OJP as required by the DOJ Grants Financial Guide.

Federal Financial Reports

We found that for seven of the eight FFRs we tested the reported expenditures did not match White Bison's accounting records.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP), under the OJP Fiscal Year 2016 Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide Project; and a cooperative agreement awarded by the Office on Violence Against Women (OVW), under the OVW Fiscal Year 2018 Training and Technical Assistance Initiative to White Bison, Inc., (White Bison) located in Colorado Springs, Colorado. White Bison received two awards totaling \$869,195, as shown in Table 1.

Table 1

Cooperative Agreements Awarded to White Bison

| Award Number | Program Office | Award Date | Project Period Start Date | Project Period End Date | Award Amount |
|-----------------|----------------|------------|---------------------------|-------------------------|------------------|
| 2016-VF-GX-K008 | OJP | 9/15/2016 | 10/01/2016 | 9/30/2019 | 469,195 |
| 2018-TA-AX-K008 | OVW | 9/27/2018 | 10/01/2018 | 9/30/2020 | 400,000 |
| | | | | Total: | \$869,195 |

Source: OJP's Grants Management System

Funding through the OJP Fiscal Year 2016 Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide provides support and healing to American Indian and Alaska Native survivors of homicide. The purpose of this project is to develop a comprehensive facilitator's guidebook for peers and clinical mental health professionals involved in developing and sustaining local self-help support groups for American Indian and Alaska Native survivors of homicide.

Funding through the OVW Fiscal Year 2018 Training and Technical Assistance Initiative provides direct technical assistance to existing and potential recipients and sub-recipients to enhance and support their efforts to successfully implement projects supported by OVW grant funds.

The Grantee

White Bison is an American Indian and Alaska Native non-profit organization located in Colorado Springs, Colorado. Established in 1988, White Bison offers sobriety, recovery, addictions prevention, and wellness learning resources to the Native American and Alaska Native community nationwide.¹

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the

¹ Background information on White Bison has been taken directly from the organization's website (unaudited).

award; and to determine whether the awardee 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 (FFRs).

We tested compliance with what we consider to be the most important conditions of the awards. The DOJ Grants Financial Guides 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 Accomplishment

We reviewed required performance reports, award documentation, and interviewed awardee officials to determine whether White Bison demonstrated adequate achievement of the program goals and objectives. We also reviewed the progress reports to determine if the required reports were accurate. Finally, we reviewed White Bison's compliance with select special conditions identified in the award documentation.

Program Goals and Objectives

The goals and objectives for Award Number 2016-VF-GX-K008 were to: (1) develop a comprehensive facilitator's guide; (2) design a 2-day training conference; and (3) provide ongoing technical assistance to the facilitators following the conference trainings. Based on our review, we found that White Bison achieved the first and second goals and objectives, but in our review of information and our judgement White Bison did not adequately achieve the third objective to provide ongoing technical assistance to the facilitators following the conference trainings. White Bison did provide some ongoing technical assistance, but that ended when it returned almost 30 percent of the grant funds. Based on our performance reporting analysis and the fact that White Bison returned 30 percent of the awarded funds that could have been used to provide ongoing technical assistance, we determined that White Bison did not appear to sufficiently achieve the third goal for this award.

The goals and objectives for Award Number 2018-TA-AX-K008 were to: (1) assist American Indian and Alaska Native men in learning skills and cultural change strategies that will allow them to help reduce domestic violence and sexual assault in their communities; (2) increase the capability and confidence of professionals, who provide services to victims of domestic violence and sexual assault in local communities; (3) increase the capacity and confidence of local tribal law enforcement; and (4) increase sustainability of technical assistance by providing a cultural tool kit for tribal law enforcement. This award was mutually terminated in October 2019 and about 95 percent of the funds were returned to OVW. As a result, White Bison was unable to successfully complete any of the goals and objectives of the award.

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 progress reports, we selected a sample of 16 performance measures from the 2 most recent reports submitted for Award Number 2016-VF-GX-K008 and 2 performance measures from the 2 most recent reports submitted for Award Number 2018-TA-AX-K008 for a total sample size of 18.² We then traced the items to supporting documentation maintained by White Bison.

² Our review of performance reports for Award Number 2018-TA-AX was limited to two performance facts because the award closed out early and White Bison returned 95 percent of the grant funds.

Based on our review of the performance reports submitted for Award Number 2016-VF-GX-K008, we found that out of the 16 progress report facts we tested, 2 facts were unsupported, and 2 facts were overreported based on the documentation provided. Specifically, White Bison reported 17 groups were started because of its training; however, we were only able to verify 13. White Bison also reported 29 trainees used what they learned one-on-one with victims; however, we were only able to verify 24. Additionally, we found that White Bison did not maintain documentation to support individual registration for each of their training sessions, and it did not maintain documentation supporting a barrier to forming a working group as reported by trainees. We did not identify any issues with the progress reports for Award Number 2018-TA-AX-K008. However, we recommend that OJP coordinate with White Bison to develop policies and procedures to ensure progress reports are accurate and fully supported.

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 awards and are not addressed in another section of this report. We evaluated three special conditions for Award Number 2016-VF-GX-K008: (1) a required training for Point of Contact and all Financial Points of Contact, (2) a requirement to submit a revised time-task plan within 30 days of the award, and (3) a requirement to have at least one grantee official complete an OJP sponsored financial grant administration training. Additionally, we evaluated one special condition for Award Number 2018-TA-AX-K008, a requirement to maintain contact information. Based on our analysis, we did not identify any instances of White Bison violating the special conditions we reviewed.

Award Financial Management

According to the DOJ Grants Financial Guide, all award 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 White Bison's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether White Bison adequately safeguards the award funds we audited. Finally, we performed testing in the areas that were relevant for the management of the awards, as discussed throughout this report.

Based on our review, we determined that White Bison did not have policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and Systems for Award Management (SAM) verification to ensure that none of the individuals or entities paid with grant funds have been suspended or debarred. Therefore, we recommend OJP and OVW ensure that White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

Award Expenditures

For Award Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008, White Bison's approved budgets included personnel costs, other direct costs, and indirect costs. 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. Our sample included 71 transactions totaling \$104,388. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. As

discussed in the following sections, we identified \$24,669 in unsupported questioned costs and \$24,150 in unallowable questioned costs.

Personnel Costs

During our testing, we determined that White Bison recorded salary and fringe benefit costs as lump sums in its accounting records for the awards in our scope. Initially White Bison recorded the personnel expenses by year and then started recording them by quarter. As a result, we selected 1 year and 1 quarter of salaries and fringe benefits charged to Award Number 2016-VF-GX-K008 and 2 quarters of salaries and fringe benefits charged to Award Number 2018-TA-AX-K008 for testing. In total we tested \$51,502 in salaries and fringe benefits to determine if labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.

For Award Number 2016-VF-GX-K008, we determined that White Bison did not maintain adequately authorized timesheets for salary and fringe benefit transactions totaling \$16,854. Specifically, the timesheets were not signed by a supervisor and/or the employee, or were not maintained at all. Therefore, we recommend that OJP remedy \$16,854 in unsupported salary and fringe benefits. Based on our review, we determined that personnel costs charged to Award Number 2018-TA-AX-K008, were generally supported and accurate.

Contractor Costs

As part of our sample, we reviewed 10 contractor transactions totaling \$7,835 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the awards. In addition, we determined if rates, services, and total costs were in accordance with those allowed in the approved budgets.

Based on our review, we identified four transactions totaling \$6,155 in unsupported contractor questioned costs charged to Award Number 2016-VF-GX-K008 for which White Bison did not maintain adequate documentation. As a result, we recommend that OJP remedy \$6,155 in unsupported questioned contractor costs.

Additionally, we identified one transaction that White Bison stated was gifted to the organization and was not charged to the grant; however, it was not removed from White Bison's accounting records. As a result, we recommend that OJP remedy \$1,500 in unallowable questioned contractor costs.

We did not identify any contractor or consultant costs charged to Award Number 2018-TA-AX-K008.

Additionally, we determined that White Bison made payments to a business owned by the President of the Board from Award Number 2016-VF-KX-K008. According to the DOJ Grants Financial Guide, non-federal entities are required to disclose any potential conflict of interest to the awarding agency. White Bison officials stated that it is not sure if it had disclosed the conflict to OJP. White Bison did disclose the conflict to OVW, but only because OVW asked about the relationship. As a result, we recommend OJP and OVW ensure that White Bison develops policies and procedures to ensure it discloses conflicts of interest.

Other Direct Costs

As part of our sample, we reviewed 57 other direct cost transactions, totaling \$45,501 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.

Based on our review, we identified \$1,660 in unsupported questioned costs and \$3,071 in unallowable questioned costs charged to Award Number 2016-VF-GX-K008. Specifically, we identified four transactions totaling \$1,660 related to travel, registration fees, and shipping supplies, for which White Bison did not maintain supporting documentation. As a result, we question the transactions as unsupported, and recommend that OJP remedy the \$1,660 in unsupported other direct costs related to travel, registration fees, and shipping supplies. Additionally, we identified one transaction related to travel expenses for which White Bison was issued a \$1,946 in refund that was not adjusted in its accounting records. We also identified four transactions totaling \$1,125 for accounting expenses that White Bison officials stated were not charged to the award; however, these costs were not adjusted out of its accounting records. As a result, we question these costs as unallowable, and recommend OJP remedy the \$3,071 in unallowable questioned costs related to travel and accounting expenses.

Based on our review, we determined that other direct costs charged to Award Number 2018-TA-AX-K008, were generally supported and accurate.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a project but are necessary to the operation of the organization and the performance of the project. Based on our analysis, we identified indirect costs charged to Award Number 2016-VA-GX-K008 that exceeded the allowable indirect costs, resulting in \$19,579 in unallowable questioned costs. White Bison officials stated that the unallowable indirect costs were likely because it requested a percentage of the full grant amount rather than a percentage of the actual expenditures. White Bison officials stated that it may have submitted a Grant Adjustment Notice (GAN) for an increased percentage; however, we were unable to identify a related GAN. As a result, we recommend that OJP remedy \$19,579 in overallocated unallowable indirect costs. We did not identify indirect costs charged to award number 2018-TA-AX-K008.

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 award. Additionally, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether White Bison transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent for any of the awards we tested.

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. As of September 29, 2020, White Bison had drawn down a total of \$329,370 from Award Number 2016-VA-GX-K008 and \$19,304 from Award Number 2018-TA-AX-K008. To assess whether White Bison managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. We did not identify issues related to White Bison's drawdown requests. However, as discussed previously, we did identify issues with White Bison's drawdown policies and procedures.

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 White Bison submitted accurate FFRs, we compared the four most recent reports to White Bison's accounting records for Awards Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008.

We found that the FFRs did not match White Bison's accounting records for Award Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008. For all eight FFRs tested, the quarterly expenditures reported did not match White Bison's accounting records, and for seven of the eight FFRs tested, the cumulative expenditures reported did not match White Bison's accounting records, as shown in Table 2. As a result, we recommend OJP and OVW ensure White Bison implements and develops policies and procedures to ensure FFRs are accurate and supported.

Table 2

FFR Accuracy

| Report # | Quarterly Expenditures Difference (Qtr. Exp. Per GL – Qtr. Exp. Per FFR) | Cumulative Expenditures Difference Per GL (Cumulative Exp. Per GL – Cumulative Exp. Per FFR) |
|--------------------------------------|--|--|
| Award Number: 2016-VF-GX-K008 | | |
| 9 | \$41,752 | \$1,599 |
| 10 | (\$1,746) | (\$147) |
| 11 | \$30,691 | \$30,545 |
| 12 | (27,940) | \$2,605 |
| Award Number 2018-TA-AX-K008 | | |
| 1 | \$348 | \$348 |
| 2 | (\$1,076) | (\$728) |
| 3 | (\$923) | (1,650) |
| 4 | \$1,650 | - |

Source: OJP's Grants Management System and White Bison financial records.

Conclusion and Recommendations

As a result of our audit testing, we conclude that White Bison did not adhere to all of the grant requirements we tested. Specifically, we found that White Bison did not comply with essential award conditions related to the implementation of grant goals, performance reports, the use of funds, federal financial reports, and policies and procedures. We provide six recommendations to White Bison to address these deficiencies.

We recommend that OJP:

1. Coordinate with White Bison to develop policies and procedures to ensure progress reports are accurate and fully supported.
2. Remedy \$24,669 in unsupported questioned costs, related to \$16,854 in unsupported salary and fringe benefit personnel costs, \$6,155 in unsupported contractor costs, and \$1,660 in unsupported other direct costs.
3. Remedy \$24,150 in unallowable costs, related to \$4,571 in unallowable questioned costs related to travel, accounting, and contractor expenses and \$19,579 in overallocated unallowable indirect costs.

We recommend that OJP and OVW:

4. Ensure White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.
5. Ensure that White Bison develops policies and procedures to ensure it discloses any potential conflicts of interest.
6. Ensure White Bison implements and develops policies and procedures to ensure FFRs are accurate and supported.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether costs claimed under the awards 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 an OJP grant awarded to White Bison under the Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide Project; and an OVW grant awarded to White Bison under the Training and Technical Assistance Initiative. White Bison was awarded \$469,195 under Award Number 2016-VF-GX-K008 and \$400,000 under Award Number 2018-TA-AX-K008. As of September 22, 2020, White Bison had drawn down \$329,370 from Award Number 2016-VF-GX-K008 and \$19,304 from Award Number 2018-TA-AX-K008 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 15, 2016, the award date for Award Number 2016-VF-GX-K008, through April 8, 2021, the last day of our audit work. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of White Bison's activities related to the audited awards. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide 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 White Bison'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.

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 White Bison to provide assurance on its internal control structure as a whole. White Bison’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 White Bison’s internal control structure, we offer this statement solely for the information and use of White Bison, OJP and OIW.³

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

³ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

| Description | Award Number | Amount | Page |
|---|-----------------|------------------------|------|
| Questioned Costs: | | | |
| Unsupported Personnel Costs | 2016-VF-GX-K008 | \$16,854 | 5 |
| Unsupported Contractor and Consultant Costs | 2016-VF-GX-K008 | 6,155 | 5 |
| Unsupported Other Direct Costs | 2016-VF-GX-K008 | <u>1 660</u> | 6 |
| Unsupported Costs | | \$24,669 | |
| Unallowable Contractor and Consultant Costs | 2016-VF-GX-K008 | \$1,500 | 5 |
| Unallowable Other Direct Costs | 2016-VF-GX-K008 | 3,071 | 6 |
| Unallowable Indirect Costs | 2016-VF-GX-K008 | <u>19 579</u> | 6 |
| Unallowable Costs | | \$24,150 | |
| Total Questioned Costs⁴ | | <u>\$48,819</u> | |

⁴ **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: White Bison, Inc's Response to the Draft Audit Report⁵



An American Indian Non-profit Corporation

May 19, 2021

Re: AUDIT OF THE OFFICE OF JUSTICE PROGRAMS AND OFFICE ON VIOLENCE AGAINST WOMEN COOPERATIVE AGREEMENTS AWARDED TO WHITE BISON, INC., COLORADO SPRINGS, COLORADO

Introduction

White Bison was awarded a cooperative agreement grant through the Office of Justice Programs (OJP), under the OJP Fiscal Year 2016 Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide Project; and a cooperative agreement awarded by the Office on Violence Against Women (OVW), under the OVW Fiscal Year 2018 Training and Technical Assistance Initiative.

Funding through the OJP Fiscal Year 2016 Self-Help Group for American Indian and Alaska Native Survivors of Homicide Facilitator's Guide provides support and healing to American Indian and Alaska Native survivors of homicide. The purpose of this project was to develop a comprehensive facilitator's guidebook for peers and clinical mental health professionals involved in developing and sustaining local self-help support groups for American Indian and Alaska Native survivors of homicide.

Funding through the OVW Fiscal Year 2018 Training and Technical Assistance Initiative provides direct technical assistance to existing and potential recipients and sub-recipients to enhance and support their efforts to successfully implement projects supported by OVW grant funds.

White Bison was founded in 1988. Since the establishment of our organization 34 years ago, we have participated in a multitude of federal grants from agencies such as SAMHSA, ANA, and DOJ, as well as state and foundation grants. Our policies have always been to strictly adhere to grant policies and procedures to the best of our ability. With each grant we received, we always developed a positive working relationship with our Project Managers, with the understanding that their role is to also oversee our efforts and ensure that we are meeting deliverables in a timely manner, and in a way that would be approved by the awarding agency. The implementation of these two grants were no different. Every step of the way, we sought approval and guidance from our grant Project Managers and from the Help Desk, and therefore, no action taken was done so without approval from our grant Project Managers or without guidance from the two federal agencies we received grant funds from.

Please find our response to the audit findings below.

⁵ Attachments referenced in this response were not included in the final report.



An American Indian Non-profit Corporation

Audit Results

Program Goals and Objectives

The goals and objectives for Grant Number 2016-VF-GX-K008 were to: (1) develop a comprehensive facilitator's guide; (2) design a two day training conference; and (3) provide ongoing technical assistance to the facilitators following the conference trainings. Based on our review, we found that White Bison achieved the first and second goals and objectives, but in our judgement did not adequately achieve the third objective to provide ongoing technical assistance to the facilitators following the conference trainings. While White Bison did provide some ongoing technical assistance, that ended when it de-obligated almost 30 percent of the grant funds. Based on our analysis, and the fact that White Bison returned a significant portion of the awarded funds, we determined that White Bison did not appear to sufficiently provide ongoing technical assistance.

White Bison appropriately met all goals and objectives of the grant. We developed a comprehensive facilitator's guide, designed a two-day training for facilitator's to learn how to implement the program, and offered ongoing technical assistance to facilitators. At no point in the grant award letter or special conditions did the grant define specifically what technical assistance is comprised of, nor did we find any specific definition on the OJP website or in our special conditions. According to the United Nations Educational, Scientific, and Cultural Organization technical assistance *"can take the form of sharing information and expertise, instruction, skills training, transmission of working knowledge, and consulting services and may also involve the transfer of technical data"*¹ In addition, White Bison clearly defined our plan for on-going technical assistance in our original grant submission, which states *"The strategies that have helped to sustain programs and which will also be used to support the sustainability of support for homicide survivors following this grant, fall into three categories: (1) ongoing technical support; (2) community infrastructure; (3) coordination of peers and professionals; and (4) design of this project. Ongoing technical support: All facilitators trained through this program will be provided ongoing technical support after the grant period ends through the Wellbriety Training Institute Facebook page. WBI staff will mentor facilitators in the management of self-help groups, with the expectation that they will become self-sufficient. Through webinars (learning communities) and social media, facilitators and community members can make connections with each other, ask questions, share experiences, and solutions. Facilitators who need specific assistance will be encouraged to contact WBI on an as needed basis. Social media and ability to contact WBI staff after the grant ends provide an ongoing connection and support to communities working within the Wellbriety Movement. These support systems are available for this project as well."*²

White Bison met our goals and objectives by offering technical assistance through facilitator training to help participants develop facilitation skills, phone consultations, follow up phone calls, and emails. In addition,

¹ <http://www.unesco.org/new/en/culture/themes/cultural-diversity/cultural-expressions/programmes/technical-assistance/what-is-technical-assistance/#:~:text=Technical%20assistance%20is%20on%20financial,the%20transfer%20of%20technical%20data>

² Page 24 of our original OVC grant submission package



An American Indian Non-profit Corporation

we provided facilitator tools to assist with implementation to include facilitator guides (See Attachment A), instructional videos, and evaluation tools. Facilitators were given a direct point of contact in the office to assist with technical assistance requests. Facilitators were also given contact information to reach out to the trainer in the event of any questions. For this specific program, an online private group was created on Facebook and has been sustained. This Facebook group is only open to facilitators that took the Survivors of Homicide training. This space was created to allow facilitators to be part of a community that understands the training and can provide peer to peer support. White Bison continues to monitor and engage in the Facebook private group to assist with ongoing technical support. White Bison advertises all ongoing circles that have been registered on the White Bison website. Any materials that have been lost, damaged, or requested from a facilitator is provided to the facilitator in a timely manner.

White Bison did not require the full use of awarded funds to sufficiently meet all of these goals, and therefore, abided by OJP protocols to return unused funds.

The goals and objectives for Grant Number 2018-TA-AX-K008 were to: (1) assist American Indian and Alaska Native men in learning skills and cultural change strategies that will allow them to help reduce domestic violence and sexual assault in their communities; (2) increase the capability and confidence of professionals, who provide services to victims of domestic violence and sexual assault in local communities; (3) increase the capacity and confidence of local tribal law enforcement; and (4) increase sustainability of technical assistance by providing a cultural tool kit for tribal law enforcement. This award was mutually terminated in October 2019 and about 95 percent of the funds were returned to OVW. As a result, White Bison was unable to successfully complete any of the goals and objectives of the award.

Regarding the grant from OVW, we submitted a project, and based on this scope of work, we were awarded the grant. We were soon notified that we would not be permitted to carry out the grant project based on our original submission. Throughout the duration of the grant, we experienced many barriers with the implementation of this project. We felt we were met with institutionalized racism, and were even inadvertently forwarded an internal email from OVW leadership calling our staff incompetent. After many phone calls with our Project Manager and emails with OVW leaders, we submitted a Letter of Concern detailing out our experience with this grant. Here is an excerpt from our original letter (See Attachment B for full letter and internal email):

"In June, we had a conversation with OVW leadership and representatives from GFMD to express the concerns we initially had, because at that point in time, White Bison was prepared to respectfully part ways with OVW on this project. We were given assurances that we would have the ability to utilize the scholarships we submitted in the CRF to bring in some community members that were not OVW TA Providers or Grantees. We were made to feel like we were an equal partner in this planning process with OVW, with the understanding that OVW would be making the final approvals on what we submitted. Since that time, OVW has changed the direction of this whole event, and we have not had much of a say in what will be taking place during the event.

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Moreover, we feel that our cultural traditions are being scrutinized in such a way that feels offensive to us as individuals, as well as our organizational mission. A comment was made that our proposed agenda “had too much healing” in it and that “this is not a mental health conference”. While we understand that this event will take a focus on reducing violence against women and children, our approach has always been whole person wellness: mental, emotional, physical, and spiritual. This is what Wellbriety is all about. We have never been scrutinized for having “too much healing” taking place. After all, we were under the impression that our organization had goals that were in alignment with OVW, which were to heal our communities and stop the effects of violence, substance use disorders and trauma. We are unsure of how this mission could be met without creating and encouraging opportunities for people to heal.”³

In September 2019, we were approached by OVW leadership and our Program Manager offering the option to cease grant activities without penalty. We accepted this offer due to the challenges that we faced throughout the duration of this grant. After the agreement to cease activity on the grant, it took almost a full year to get our final drawdown approved, which only was received after multiple phone calls and emails to OVW.

We include all of this information to showcase the reason behind our organization returning 95% of the awarded grant funds. At no point during the grant were we given the opportunity to meet the goals and objectives of the grant award.

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 progress reports, we selected a sample of 16 performance measures from the 2 most recent reports submitted for Award Number 2016-VF-GX-K008 and 2 performance measures from the 2 most recent reports submitted for Award Number 2018-TA-AX-K008 for a total sample size of 18.² We then traced the items to supporting documentation maintained by White Bison.

Based on our review of the performance reports submitted for Award Number 2016-VF-GX-K008, we found that out of the 16 progress report facts we tested, 2 facts were unsupported and 2 facts were over-reported based on the documentation provided. Specifically, White Bison reported 17 groups were started because of its training; however, we were only able to verify 13. White Bison also reported 29 trainees used what they learned one-on-one with victims; however, we were only able to verify 24. Additionally, we found that White Bison did not maintain documentation to support that individual registration for each of their training sessions, and it did not maintain documentation supporting a barrier to forming a working group as reported by trainees.

³ Letter of Concern to OVW, August 28, 2019



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White Bison operated off policies and procedures set forth by grant requirements to provide performance reports. Our understanding is that we would be working with our Project Manager to successfully meet all grant deliverables and submit requested reports. *“Responsibility for general oversight and redirection of the project, if necessary, rests with OVC. OVC will review and approve all activities in the requirements under the various stages, as enumerated in the solicitation. This includes review and approval in a timely manner of all key personnel selections, consultants, assessments, plans, instruments, manuals, and documents developed or identified for use during the project, with suggestions for modifications. The program solicitation is hereby incorporated by reference into the Cooperative Agreement making it part of the overall agreement, requiring adherence to its overall design”* (OVC Award Report, Special Condition 23, p.8). At no point in time did we receive notification of not providing all required supporting documentation. All performance reports were approved by OVC.

White Bison has conducted many trainings over our 34 years and our procedure for every training is that each participant individually signs-in every day of the training. Without this documentation, we do not send out certificates. This same procedure was implemented throughout the duration of this grant. White Bison documented individual registration on multiple levels. We require all participants to sign-in during both the AM and PM portions of the training to obtain their certification. White Bison utilized grant funds to cover the cost of participant travel expenses so tracking participant registration was particularly important. As such, White Bison maintained pre-registration lists, actual registration lists, and daily sign-in sheets for each training conducted, which was submitted for the audit. White Bison also submitted quarterly performance reports that were required through the Grant Management System.

While the actual numbers were provided in the grant reports that matched our registration documentation, the only reason we were lacking all supporting documentation was due to a software malfunction in our email system and were not able to provide the full scope of documentation upon request. This means that a few of the requested email responses could not be submitted upon request and were therefore classified as “unsupported”. White Bison does see the need for improvement in policies and procedures to ensure progress reports are accurate and fully supported. As such, White Bison will be enhancing the system in place for documentation to be saved to the cloud, with back-up procedures in place for our entire system. White Bison will improve the efficiency of documenting, reporting, and compiling data by providing both paper and electronic documentation of grant deliverables, financial records, follow-ups, and reports.

We did not identify any issues with the progress report facts sampled for Award Number 2018-TA-AX-K008. However, we recommend that OJP coordinate with White Bison to develop policies and procedures to ensure progress reports are accurate and fully supported.



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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 awards and are not addressed in another section of this report. We evaluated three special conditions for Award Number 2016-VF-GX-K008: (1) a required training for Point of Contact and all Financial Points of Contact, (2) a requirement to submit a revised time-task plan within 30 days of the award, and (3) a requirement to have at least one grantee official complete an OJP sponsored financial grant administration training. Additionally, we evaluated one special condition for Award Number 2018-TA-AX-K008, a requirement to maintain contact information. Based on our analysis, we did not identify any instances of White Bison violating the special conditions we reviewed.

Award Financial Management

According to the DOJ Grants Financial Guide, all award 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 White Bison's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether White Bison adequately safeguards the award funds we audited. Finally, we performed testing in the areas that were relevant for the management of the awards, as discussed throughout this report.

Based on our review, we determined that White Bison did not have policies and procedures for performance reporting, indirect costs, FFRs, Drawdowns, and Systems for Award Management (SAM) verification. Therefore, we recommend OJP and OVW ensure that White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

White Bison is developing more efficient policies for the reporting and drawdowns of grant money for any current or upcoming grants. Each grant tends to be different, but going forward, a regular invoicing and recording procedure will be implemented to verify all transactions are properly recorded and categorized, and checks and balances will be included to verify that the amounts drawn and recorded in QB match the amounts recorded in the grantors accounting system. The accountant will keep a running balance on QB and in an excel spreadsheet and verify these match and verify these match with the grantor.

Award Expenditures

For Award Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008, White Bison's approved budgets included personnel costs, other direct costs, and indirect costs. 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. Our sample included 71 transactions totaling \$104,388. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. As discussed in the



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following sections, we identified \$24,669 in unsupported questioned costs and \$24,150 in unallowable questioned costs.

Personnel Costs

During our testing, we determined that White Bison recorded salary and fringe benefit costs as lump sums in its accounting records for the awards in our scope. Initially White Bison recorded the personnel expenses by year and then started recording them by quarter. As a result, we selected one year and one quarter of salaries and fringe benefits charged to Award Number 2016-VF-GX-K008 and two quarters of salaries and fringe benefits charged to Award Number 2018-TA-AX-K008 for testing. In total we tested \$51,502 in salaries and fringe benefits to determine if labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.

For Award Number 2016-VF-GX-K008, we determined that White Bison did not maintain adequately authorized timesheets for salary and fringe benefit transactions totaling \$16,854. Specifically, the timesheets were not signed by a supervisor and/or the employee or were not maintained at all. Therefore, we recommend that OJP remedy \$16,854 in unsupported salary and fringe benefits. Based on our review, we determined that personnel costs charged to Award Number 2018-TA-AX-K008, were generally supported and accurate.

White Bison has an established procedure in place requiring employee and supervisor signatures on all timesheets prior to payroll. The timesheets are used when entering payroll hours, attached to a copy of the payroll detail, and retained in an employee file for the fiscal year. The grantor requested an additional timesheet that documented grant specific activity. For many of the Personnel costs questioned, White Bison was able to provide the signed timesheets showing the overall hours worked, however the only issue is the additional timesheet was missing multiple signatures on the timesheets for grant hours worked as requested by the grantor.

For any future grants, White Bison will create categorically separated timesheets that show the employee time breakdown on grant times, and they will also require signatures of both the employee and supervisor, which will be attached to the White Bison timesheets. At no point in time did we drawdown for any salaries and fringe benefits that were not approved by OVC or OVW with the documentation we provided.

Contractor Costs

As part of our sample, we reviewed 10 contractor transactions totaling \$7,835 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the awards. In addition, we determined if rates, services, and total costs were in accordance with those allowed in the approved budgets.



Based on our review, we identified four transactions totaling \$6,155 in unsupported contractor questioned costs charged to Award Number 2016-VF-GX-K008 for which White Bison did not maintain adequate documentation. As a result, we recommend that OJP remedy \$6,155 in unsupported questioned contractor costs.

White Bison did not see any mention of the requirement for MOUs in our grant award or special conditions, nor were we notified of this requirement by our Project Manager. The \$6,155 has been questioned because White Bison did not have MOU's with the contractors. White Bison has been utilizing the services of these contractors for many years and because of this ongoing relationship, we did not require MOU's, as invoices were provided on a project-fee basis, which always provided a breakdown of hours worked and what work was conducted. Going forward, White Bison will have all contractors sign MOU's for each specific grant.

Additionally, we identified one transaction that White Bison stated was gifted to the organization and was not charged to the grant, however, it was not removed from White Bison's accounting records. As a result, we recommend that OJP remedy \$1,500 in unallowable questioned contractor costs.

The \$1,500 in QB that was not charged to the grant remains in QB and was not adjusted because it was in a prior year, which has been audited by our CPA's and closed. This amount was not charged to the grant. It was only categorized to the grant in the GL because it was work pertaining to the grant. Therefore, we do not see a need to remedy this amount. In the future, internal control policies will differentiate categories to specify actual grant allowable expenses.

We did not identify any contractor or consultant costs charged to Award Number 2018-TA-AX-K008.

Additionally, we determined that White Bison made payments to a business owned by the President of the Board from Award Number 2016-VF-KX-K008. According to the DOJ Grants Financial Guide, non-federal entities are required to disclose any potential conflict of interest to the awarding agency. White Bison officials stated that they are not sure if they had disclosed the conflict to OJP. White Bison did disclose the conflict to OVW, but only because OVW asked about the relationship. As a result, we recommend OJP and OVW ensure that White Bison develops policies and procedures to ensure it discloses conflicts of interest.

White Bison discloses any conflict of interest and transactions with related parties in both our annual audit and our 990. We also verbally disclosed a conflict of interest with OVW regarding the Owner of Coyhis Publishing, who is on the board of White Bison. A conflict of interest discloser has been created and will be submitted in all future grants.

Other Direct Costs

As part of our sample, we reviewed 57 other direct cost transactions, totaling \$45,501 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.



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Based on our review, we identified \$1,660 in unsupported questioned costs and \$3,071 in unallowable questioned costs charged to Award Number 2016-VF-GX-K008. Specifically, we identified four transactions totaling \$1,660 related to travel, registration fees, and shipping supplies, for which White Bison did not maintain supporting documentation. As a result, we question the transactions as unsupported, and recommend that OJP remedy the \$1,660 in unsupported other direct costs related to travel, registration fees, and shipping supplies. Additionally, identified one transaction related to travel expenses for which White Bison was issued a \$1,946 in refund that was not adjusted in its accounting records. We also identified four transactions totaling \$1,125 for accounting expenses that White Bison officials stated were not charged to the award; however, these costs were not adjusted out of its accounting records. As a result, we question these costs as unallowable, and recommend OJP remedy the \$3,071 in unallowable questioned costs related to travel and accounting expenses.

Out of the unallowable questioned costs, \$885 was misclassified in our GL but was not charged to the grant. There is a total of \$2,186 that White Bison should have refunded to the grant. White Bison will improve on accounting procedures to ensure proper monitoring, distribution of, and necessary reimbursements for grant funds. White Bison will continue to require receipts for expenses and will properly file and store receipts as required by the grantor.

Based on our review, we determined that other direct costs charged to Award Number 2018-TA-AX-K008, were generally supported and accurate.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a project but are necessary to the operation of the organization and the performance of the project. Based on our analysis, we identified indirect costs charged to Award Number 2016-VA-GX-K008 that exceeded the allowable indirect costs, resulting in \$19,579 in unallowable questioned costs. White Bison officials stated that the unallowable indirect costs were likely because it requested a percentage of the full grant amount rather than a percentage of the actual expenditures. White Bison officials stated that it may have submitted a Grant Adjustment Notice (GAN) for an increased percentage; however, we were unable to identify a related GAN. As a result, we recommend that OJP remedy \$19,579 in overallocated unallowable indirect costs.

White Bison worked with OJP regarding indirect costs and were instructed to use the 10% de minimis rate. When White Bison had a turnover with our accountant, our new accountant reached out to OJP for guidance on how to proceed with the drawdown and were put in contact with a staff accountant from OJP to help on our drawdown submission to ensure for accuracy. They submitted a letter to us asking us to make a few changes, which were made as instructed. 10% of Indirect Costs was drawn based on the overall grant budget under guidance of a staff accountant from OJP and approved. The instructions we were given were incorrect as the Indirect Costs to be drawn should be based on the direct costs. At no point did we receive



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feedback that our submission was incorrect, until we received this report. Proper training of the new accountant and proper oversight would have resolved this situation, which will be a priority moving forward.

We did not identify indirect costs charged to award number 2018-TA-AX-K008.

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 award. Additionally, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether White Bison transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent for any of the awards we tested.

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. As of September 29, 2020, White Bison had drawn down a total of \$329,370 from Award Number 2016-VA-GX-K008 and \$19,304 from Award Number 2018-TA-AX-K008. To assess whether White Bison managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. We did not identify issues related to White Bison's drawdown requests. However, as discussed previously, we did identify issues with White Bison's drawdown policies and procedures.

White Bison is working with our board to enhance policies and procedures regarding a more efficient invoicing and recording process that will ensure a check and balance system showing the grant billing and the funds drawn from the grant. This will be reconciled with the QB system each month. Drawdowns will need to be approved and signed by both the accountant and Executive Director to verify accuracy. In the future, we would like to establish quarterly meetings for feedback from our Program Manager to ensure all documentation is accurate and fully supported as required by the grantor.



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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 White Bison submitted accurate FFRs, we compared the four most recent reports to White Bison's accounting records for Awards Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008.

We found that the FFRs did not match White Bison's accounting records for Award Numbers 2016-VF-GX-K008 and 2018-TA-AX-K008. For all eight FFRs tested, the quarterly expenditures reported did not match White Bison's accounting records, and for seven of the eight FFRs tested, the cumulative expenditures reported did not match White Bison's accounting records, as shown in Table 2. As a result, we recommend OJP and OVW ensure White Bison implements and develops policies and procedures to insure FFRs are accurate and supported.

White Bison assigns a class within QB based in order to accurately record the expenses and the revenues of the grant. The grant reporting, invoicing, and drawdown system will be enhanced and will include checks and balances to verify accurate funding on future grants. As discussed in the drawdown section, a running balance will be kept and reconciled monthly. A monthly reconciliation and an ongoing running balance reconciliation will prevent future errors from going unnoticed.

Conclusion and Recommendations

While White Bison recognizes a need for improvement on some policies and procedures, at no point in time did our organization misappropriate grant funds, nor did we commit fraud. Our staff was fully cooperative for the eight months that it took to complete this audit. All corrective policies and procedures will be reviewed by the board in September 2021.

We feel that our experience with OJP was very positive and the grant was fairly successful, but we do believe everyone could have benefitted from proper oversight of grant activities and report submissions.

Regarding OVW, we strongly recommend that the entire staff, but especially leadership would benefit from cultural sensitivity training in order to ensure successful outcomes of future Tribal grantees. We are happy to assist with this recommendation.

Overall, White Bison will continue to strive for excellence in all our endeavors and feel we will be even more prepared for future successful grant awards.

APPENDIX 4: Office of Justice Program's Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

June 2, 2021

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs and Office on Violence Against Women Cooperative Agreements Awarded to White Bison, Inc., Colorado Springs, Colorado*

This memorandum is in reference to your correspondence, dated April 26, 2021, transmitting the above-referenced draft audit report for White Bison, Inc. (White Bison). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **six** recommendations and **\$48,819** in questioned costs, of which three recommendations and \$48,819 in questioned costs are directed to the Office of Justice Programs (OJP); and three recommendations are directed to both OJP and the Office on Violence Against Women (OVW). The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations directed to OJP, individually and jointly, are restated in bold and are followed by our response.

1. We recommend that OJP coordinate with White Bison to develop policies and procedures to ensure progress reports are accurate and fully supported.

OJP agrees with this recommendation. In its response, dated May 19, 2021, White Bison stated that it had operated off of policies and procedures set forth by grant requirements, to provide performance reports and maintain pre-registration lists, actual registration lists, and daily sign-in sheets for each training. While White Bison did not provide a copy of any policies and procedures with its response to this recommendation, OJP will coordinate with White Bison to obtain a copy of updated written policies and procedures, developed and implemented, to ensure that future progress reports are accurately prepared and fully supported, and the documentation is maintained for future auditing purposes.

2. **We recommend that OJP remedy \$24,669 in unsupported questioned costs, related to \$16,854 in unsupported salary and fringe benefit personnel costs, \$6,155 in unsupported contractor costs, and \$1,660 in unsupported other direct costs.**

OJP agrees with this recommendation. We will review the \$24,669 in unsupported questioned costs, and will work with White Bison to remedy, as appropriate.

3. **We recommend that OJP remedy \$24,150 in unallowable costs, related to \$4,571 in unallowable questioned costs related to travel, accounting, and contractor expenses, and \$19,579 in overallocated unallowable indirect costs.**

OJP agrees with this recommendation. We will review the \$24,150 in unallowable questioned costs, and will work with White Bison to remedy, as appropriate.

4. **We recommend that OJP and OVW ensure White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.**

OJP agrees with this recommendation. In its response, dated May 19, 2021, White Bison stated that it was developing more efficient policies for the reporting and drawdowns of grant money for any current or upcoming grants. In addition, White Bison stated that, going forward, a regular invoicing and recording procedure will be implemented for each grant, to verify that all transactions are properly recorded and categorized; and checks and balances will be included to verify that the amounts drawn down and recorded agree with the amounts posted in its accounting system. Accordingly, we will coordinate with White Bison to obtain a copy of its revised and implemented policies and procedures, in the areas of performance reporting, indirect costs, Federal Financial Reports (FFRs), drawdown of grant funds, and Systems for Award Management (SAM) verification.

5. **We recommend that OJP and OVW ensure that White Bison develops policies and procedures to ensure it discloses any potential conflicts of interest.**

OJP agrees with this recommendation. In its response, dated May 19, 2021, White Bison stated that it discloses any conflicts of interest, and transactions with related parties, in both its annual audit and on Form 990. In addition, White Bison stated that a conflict of interest discloser has been created and will be submitted in all future grant applications. However, White Bison did not provide a copy of the updated policy with its response. Accordingly, we will coordinate with White Bison to obtain a copy of its updated and implemented policies and procedures, to ensure that any potential conflicts of interest are promptly disclosed, in writing, to the awarding agency under each of its Federal awards, as well as to the cognizant Federal audit agency, as mandated by the U.S. Department of Justice (DOJ) Grants Financial Guide.

6. We recommend that OJP and OVW ensure White Bison implements and develops policies and procedures to ensure FFRs are accurate and supported.

OJP agrees with this recommendation. In its response, dated May 19, 2021, White Bison stated that it will enhance its grant reporting, invoicing, and drawdown system, and will include checks and balances to verify accurate funding on future grants, which it will be reconciled monthly to prevent future errors in its FFRs. Accordingly, we will coordinate with White Bison to obtain a copy of its written policies and procedures, developed and implemented, to ensure that future FFRs are accurately prepared, and the supporting documentation is maintained for future auditing purposes.

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: Amy L. Solomon
Principal Deputy Assistant Attorney General

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

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

Katherine Darke Schmitt
Acting Director
Office for Victims of Crime

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James Simonson
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Joel Hall
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Office for Victims of Crime

cc: Kimberly Woodard
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Joanne M. Suttington
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Finance, Accounting, and Analysis Division
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Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

cc: Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20210426112151

APPENDIX 5: 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

June 4, 2021

MEMORANDUM

TO: David M. Sheeren
Regional Audit Manager

THROUGH: Nadine M. Neufville *KBM for NMW dj*
Acting Director, Office on Violence Against Women

Erin Lorah *EL*
Acting Deputy Director, Grants Financial Management Unit

FROM: Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Grant Awarded to the White Bison, Inc. (White Bison), Colorado Springs, Colorado

This memorandum is in response to your correspondence dated April 26, 2021 transmitting the above draft audit report for White Bison, Inc., Colorado Springs, Colorado. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains six recommendations and \$48,819 in Total Questioned Costs. There are three recommendations identified for the Office of Justice Programs (OJP) and three recommendations identified for both OJP and the Office on Violence Against Women (OVW). OVW is committed to addressing and bringing the recommendations identified for our office to a close as quickly as possible. The following is our analysis of each OVW Recommendation.

Your office recommends that OVW and OJP:

4. Ensure White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

Concur: OVW will coordinate with OJP and White Bison to ensure that they develop and implement policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

MEMORANDUM:

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grant Awarded to White Bison, Inc., Colorado Springs, Colorado

5. Ensure that White Bison develops policies and procedures to ensure it discloses any potential conflicts of interest.

Concur: OVW will coordinate with OJP and White Bison to ensure that they develop policies and procedures to ensure it discloses any potential conflicts of interest.

6. Ensure White Bison implements and develops policies and procedures to insure FFRs are accurate and supported.

Concur: OVW will coordinate with OJP and White Bison to ensure that they develop policies and procedures to ensure that FFRs are 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

Omar Mohammed
Program Manager
Office on Violence Against Women

Thelma Bailey
Program Assistant
Office on Violence Against Women

APPENDIX 6: Office of the Inspector General Analysis and Summary of the Actions Necessary to Close the Report

The OIG provided a draft of this audit report to White Bison Inc., (White Bison), the Office of Justice Programs (OJP), and the Office on Violence Against Women (OVW). White Bison's response is incorporated in Appendix 3, OJP's response is incorporated in Appendix 4, and OVW's response is incorporated in Appendix 5 of this report. In response to our draft audit report, OJP and OVW agreed with our recommendations. As a result, the status of the report is resolved.

In addition to responding to our recommendations, White Bison disagreed with our conclusion that it did not adequately achieve the third objective for Award Number 2016-VF-GX-K008 to provide ongoing technical assistance to the facilitators following the conference trainings. In its response, White Bison stated that it appropriately met all goals and objectives of the grant, including ongoing technical assistance by providing facilitator guides, instructional videos, and evaluation tools. However, those activities were in support of the first two objectives to (1) develop a comprehensive facilitator's guide and (2) design a 2-day training conference. White Bison also provided information in its response about a social media page it stated is used to provide technical assistance after the award period ended, but it did not provide evidence on how this page provided technical assistance for this award. Additionally, White Bison claimed other technical assistance that it had not discussed with us during our audit, but it did not provide any additional documentation to demonstrate and support how these efforts provided ongoing technical assistance. As explained in our report, our analysis of White Bison performance reporting and the fact that White Bison returned 30 percent of award funds that were supposed to support its ongoing technical assistance efforts, resulted in our determination that White Bison did not sufficiently meet the award objective of providing ongoing technical assistance to the facilitators following the conference trainings.

The following provides the OIG analysis of the responses and a summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Coordinate with White Bison to develop policies and procedures to ensure progress reports are accurate and fully supported.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, to ensure that progress reports are accurate and fully supported.

White Bison did not agree or disagree with our recommendation. In its response, White Bison stated that all performance reports were approved by OJP. However, OJP approval only means that the reports were complete and submitted, not that the progress report facts were accurate. White Bison also stated that the actual numbers reported in its performance report matched its registration documents; however, a software malfunction in its email system prevented it from providing the full scope of documentation requested. White Bison acknowledged the need for

improvement in policies and procedures to ensure progress reports are accurate and fully supported and stated that it will be enhancing the system in place for maintaining documentation.

This recommendation can be closed when we received documentation supporting that White Bison has developed and implemented policies and procedures ensuring progress reports are accurate and fully supported.

2. Remedy \$24,669 in unsupported questioned costs, related to \$16,854 in unsupported salary and fringe benefit personnel costs, \$6,155 in unsupported contractor costs, and \$1,660 in unsupported other direct costs.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to remedy the \$24,669 in unsupported questioned costs, related to \$16,854 in unsupported salary and fringe benefit personnel costs, \$6,155 in unsupported contractor costs, and \$1,660 in unsupported other direct costs.

White Bison did not agree or disagree with our recommendation. White Bison stated that it has an established procedure in place requiring employee and supervisor signatures on all timesheets prior to incurring payroll expenses. However, White Bison acknowledged that the timesheets it provided were missing multiple signatures for grant hours worked. White Bison stated that for future grants, it will create categorically separated timesheets that show the employee time breakdown on grant times and will require signatures of both the employee and supervisor.

Additionally, White Bison stated that it did not see any mention of the requirement for a Memorandum of Understanding (MOU), i.e., a formal written agreement, with contractors in the grant documentation, and it did not require written agreements for contracted services because it had an ongoing relationship with the contractors. White Bison also stated that the contractors provided invoices that included a breakdown of hours worked and what work was conducted, but it will have all contractors sign MOUs going forward. However, the invoices provided by White Bison in support of contract services did not provide the detail necessary to support the expenditures, such as the type of work completed, hours worked, and the rate paid. As a result, without a written agreement, it was not possible to determine if the costs incurred were allowable under the awards, if the rate used followed award requirements, or if the agreed upon services were fully provided. Therefore, we consider these costs to be unsupported.

Lastly, White Bison stated that a \$1,500 transaction was not charged to the award; however it remained in the accounting records and was not adjusted out because it was in a prior year, which had been audited by its CPA and closed. White Bison stated it does not see a need to remedy this amount and, in the future, its internal control policies will differentiate categories to specify actual grant allowable expenses. However, since this amount was in the accounting records for the award, we have no indication that it was not charged to the award.

This recommendation can be closed when receive documentation supporting that White Bison has remedied \$24,669 in unsupported questioned costs, related to \$16,854 in unsupported salary and

fringe benefit personnel costs, \$6,155 in unsupported contractor costs, and \$1,660 in unsupported other direct costs.

3. **Remedy \$24,150 in unallowable costs, related to \$4,571 in unallowable questioned costs related to travel, accounting, and contractor expenses and \$19,579 in overallocated unallowable indirect costs.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to remedy the \$24,150 in unallowable costs, related to \$4,571 in unallowable questioned costs related to travel, accounting, and contractor expenses and \$19,579 in overallocated unallowable indirect costs.

White Bison did not agree or disagree with our recommendation. White Bison stated that out of the unallowable questioned costs, \$885 was misclassified in its ledger but was not charged to the grant. However, since this amount was in the accounting records for the award, we have no indication that it was not charged to the award. Additionally, White Bison stated that there is a total of \$2,186 that White Bison should have refunded to the grant. White Bison stated that it will improve accounting procedures to ensure proper monitoring, distribution of, and necessary reimbursements for grant funds. Additionally, it stated it will continue to require receipts for expenses and will properly file and store receipts as required by the grantor.

Additionally, White Bison stated that it worked with OJP regarding the indirect costs and were instructed to use the 10 percent de minimis rate. White Bison stated that 10 percent of indirect costs were drawn based on the overall budget under the guidance of a staff accountant from OJP and did not receive feedback indicating that this was incorrect; however, we did not receive any documentation from White Bison supporting this guidance. Lastly, White Bison stated that training of the new accountant and proper oversight would have resolved the situation and will be a priority moving forward. According the DOJ Grants Financial Guide, grantees may either negotiate an indirect cost rate with their cognizant federal agency or elect to charge a de minimis rate of 10 percent of modified total direct costs. However, White Bison charged the de minimis indirect cost rate to budgeted costs rather than the actual modified total direct costs. As a result, we continue to consider these costs as unallowable.

This recommendation can be closed when we receive documentation supporting that White Bison has remedied \$24,150 in unallowable costs, related to \$4,571 in unallowable questioned costs related to travel, accounting, and contractor expenses and \$19,579 in overallocated unallowable indirect costs.

Recommendations for OJP and OVW:

4. **Ensure White Bison develops and implements policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.**

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, to ensure that detailed accounting records are maintained for the subawards.

OVW concurred with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, which included policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

White Bison did not agree or disagree with our recommendation. White Bison stated that it is developing more efficient policies for the reporting and drawdowns of grant funds for any current or upcoming grants.

This recommendation can be closed when we received documentation supporting that White Bison has developed and implemented policies and procedures for performance reporting, indirect costs, FFRs, drawdowns, and SAM verification.

5. Ensure that White Bison develops policies and procedures to ensure it discloses any potential conflicts of interest.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, to ensure that White Bison discloses any potential conflicts of interest.

OVW concurred with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, to ensure that White Bison discloses any potential conflicts of interest.

White Bison did not agree or disagree with our recommendation. In its response, White Bison stated that it discloses any conflicts of interest and transactions with related parties in both its annual audit and 990, and it also verbally disclosed the conflict of interest to OVW. However, White Bison stated that a conflict of interest disclosure has been created and will be submitted in all future grants. During our audit, we did not receive any documentation supporting that White Bison formally disclosed the conflict of interest to OJP. In addition, based on the documentation provided by White Bison, the conflict was not disclosed to OVW until OVW explicitly asked about the relationship.

This recommendation can be closed when received documentation fully supporting that White Bison has developed and implemented policies and procedures to ensure it discloses any potential conflicts of interest.

6. Ensure White Bison implements and develops policies and procedures to ensure FFRs are accurate and supported.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed and implemented, to ensure FFRs are accurate and supported.

OVW concurred with our recommendation and stated in its response that it will coordinate with White Bison to obtain a copy of written policies and procedures, developed, and implemented, to ensure FFRs are accurate and supported.

White Bison did not agree or disagree with our recommendation. White Bison stated that the grant report, invoicing, and drawdown system will be enhanced and will include checks and balances to verify accurate funding on future grants.

This recommendation can be closed when received documentation fully supporting that White Bison has developed and implemented policies and procedures to ensure FFRs are accurate and supported.