



Audit of the Office on Violence Against Women
Legal Assistance for Victims Grant Awarded to the
New York City Gay and Lesbian
Anti-Violence Project,
New York, New York



22-037

FEBRUARY 2022



EXECUTIVE SUMMARY

Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to the New York City Gay and Lesbian Anti-Violence Project, New York, New York

Objectives

The Office on Violence Against Women (OVW) awarded the New York City Gay and Lesbian Anti-Violence Project (AVP) a grant totaling \$1,200,000 to provide legal assistance for victims of crimes. The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether AVP demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that AVP demonstrated adequate progress in achieving the award's stated goals and objectives. This audit did not identify significant concerns regarding AVP's budget management and drawdowns. However, we found that AVP did not provide support for its performance reports, demonstrate its compliance with the award conditions, have adequate written federal grant administration policies and procedures, maintain adequate records to support personnel costs, calculate fringe benefits correctly, use appropriate methods to charge an equitable portion of shared costs to the grant, or prepare its financial reports accurately. We also identified \$748,076 in unsupported questioned costs and \$4,848 in unallowable questioned costs, resulting in total questioned cost of \$752,924.

Recommendations

Our report contains 10 recommendations for OVW. We requested a response to our draft audit report from AVP and OVW, 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 OVW grant we reviewed was to support victims of sexual assault, domestic violence, dating violence, and stalking who are seeking relief in legal matters relating to or arising out of abuse or violence. Grant funds were to minimize or eliminate the legal costs for the victims. The project period for the grant is from October 2016 through September 2022. AVP drew down a cumulative amount of \$772,190, as of September 2021 for the grant we reviewed.

Program Goals and Accomplishments

We determined that AVP demonstrated adequate progress towards achieving its goals and objectives but did not provide documentation to support the accuracy of its performance reports or compliance with the award conditions we tested.

Grant Financial Management

We determined AVP did not have written policies and procedures necessary to ensure compliance with federal grant requirements.

Grant Expenditures

We identified \$748,076 in unsupported personnel, fringe benefits, and other direct costs and \$4,848 in unallowable pre-award personnel expenditures. We also found AVP did not maintain adequate documentation necessary to demonstrate personnel and other costs were properly allocated and charged to the award.

Federal Financial Reports

We determined that AVP did not report expenditures and indirect costs accurately in its Federal Financial Reports.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a grant awarded by the Office on Violence Against Women’s Legal Assistance for Victims Program to the New York City Gay and Lesbian Anti-Violence Project (AVP) in New York, New York. AVP was awarded one grant totaling \$1,200,000, as shown in Table 1.

Table 1

Grants Awarded to AVP

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2016-WL-AX-0020	OVW	9/1/2016	10/1/2016	9/30/2019	\$600,000
		9/12/2019	10/1/2016	9/30/2022	600,000
				Total:	\$1,200,000

Source: OVW

Funding through the Legal Assistance for Victims (LAV) program supports victims of sexual assault, domestic violence, dating violence, and stalking who are seeking relief in legal matters relating to or arising out of that abuse or violence. The LAV program provides funding to minimize or eliminate legal costs encountered by victims, as a result of the abuse or violence.

The Grantee

AVP was founded in 1980 and is the largest LGBTQ anti-violence organization in the country. AVP provides anti-violence services to the LGBTQ and HIV-affected communities in the five boroughs of New York City through outreach, education, legal services, advocacy, crisis intervention, and counseling.

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 AVP demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grant. 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, as well as grant solicitations and grant documentation, and interviewed grant officials to determine whether AVP demonstrated adequate progress towards achieving its program goals and objectives. We also requested supporting documentation for the submitted performance reports to determine if the required reports were accurate. Finally, we reviewed AVP's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

AVP's Legal Services Project was to provide LGBTQ survivors of domestic and intimate partner violence, sexual violence, and stalking a full range of holistic, direct legal services city-wide; maintain the number of AVP clients receiving legal services; refer clients to in-house supportive services; engage in key coalitions and collaborations; and utilize existing outreach programs and collaborations to inform LGBTQ communities of its Legal Services Program.

Based on our review, there were no indications that AVP was not adequately achieving the stated goals and objectives of the grant. However, as discussed in the following section, the audit team identified significant issues with AVP's procedures for reporting accomplishments funded by the LAV grant.

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 its performance reports, we selected a sample of three performance measures from AVP's semi-annual reports submitted in calendar year 2019. Based on our review of the records provided, we determined AVP's performance reports were generally supported and accurate.

We also determined that AVP's reported achievements towards accomplishing the grant award goals and objectives may not represent all activities funded by the LAV grant. AVP prepared its reports using data for clients it designated as LAV clients, but this designation was based on an estimated number of clients AVP planned to serve. We determined that AVP's approach limited reported accomplishments to those clients and may not have represented an appropriate share of all accomplishments allocated among the different funding sources AVP received to serve survivors of sexual, domestic, and intimate partner violence and stalking. Without accurate performance data, OVV and other stakeholders may not have the information necessary to identify promising practices among recipients or to build the evidence upon which program and performance decisions are made.

We further determined that AVP submitted 8 of its 10 semi-annual performance reports late, which resulted in OVV placing its funding on hold and unavailable for reimbursement, repeatedly throughout the grant award period.

During the audit, AVP hired a new official to administer its Legal Services Department and the grant-funded project. According to this official, AVP was in the process of adopting a new client database that it believes will ensure that AVP's performance reports are prepared accurately and are properly supported. Although AVP may implement a new client case management system, we determined the issues we identified were caused by a lack of written performance reporting policies and procedures necessary to ensure reports are prepared accurately, supported by adequate documentation, submitted timely, and reported accomplishments reflect a reasonable allocation of accomplishments when activities are funded by multiple sources including federal grants.

As a result, we recommend OVW ensure AVP implements written performance reporting policies and procedures to ensure its reports are accurate, supported, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.

Compliance with Award Conditions

Award conditions are the terms and conditions that are included with the grant. We evaluated the conditions for the grant and selected a judgmental sample of the requirements that are significant to performance under the grant but are not addressed in another section of this report. The four award conditions we tested required AVP to:

- submit criteria to OVW that was used to select client cases for grant-funded services;
- ensure that it properly verifies the employment eligibility for any position funded (in whole or in part) with award funds;
- have written procedures in place for personally identifiable information (PII), to respond in the event of an actual or imminent breach if it creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of that PII within the scope of an OVW grant-funded program or activity; and
- inform its employees, in writing, of employee rights and remedies regarding certain disclosures of information protected under 41 U.S.C. § 4712.

We found that AVP complied with the first condition we tested. However, we determined that AVP did not comply with the other conditions we tested. Employment eligibility is required to be verified using U.S. Citizenship and Immigration Services Form I-9. Employees are required to complete the form by the first day of their employment and provide their employers with records that demonstrate eligibility to work in the United States. Employers must then verify these records within three business days of the first day of employment. We found that AVP did not complete its employment eligibility verifications timely; specifically, the forms we tested were completed between 2 and 8 days late.

AVP provided copies of its *Whistleblower Policy* and *Personal Identity Information Security, Notification and Confidentiality Policy* to support its compliance with the remaining conditions we tested. Based on our review, the *Whistleblower Policy* did not include language notifying employees of the protections provided under 41 U.S.C. § 4712 and protections described in the policy were limited to reporting matters internally.

Additionally, we determined that the *Personal Identity Information Security, Notification and Confidentially Policy* was implemented during the audit and lacked required language that OVW be notified of breaches within 24 hours. We discussed our assessment with AVP and one official agreed that the policy lacked required elements. Although the official acknowledged the Whistleblower Policy did not include language pertaining to federal grants, they believed the policy protected employees from reporting matters externally.

As a result, we determined AVP did not comply with 3 of the 4 award conditions we tested. Therefore, we recommend OVW ensure AVP implement policies and procedures to ensure compliance with its federal grant award conditions.

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 AVP's financial management of the grant covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether AVP adequately safeguarded the grant funds we audited. We also reviewed AVP's Single Audit Reports for 2016 through 2020 to identify any internal control weaknesses or significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report. Based on our review, we did not identify significant concerns related to grant financial management.

However, we determined AVP did not have written federal grant management policies and procedures. As part of our assessment of AVP's internal controls for federal grant management, AVP provided its *Grants Management Process Protocols*.¹ Although the protocols included policies and procedures for applying for federal grants and various grant management responsibilities, it did not include adequate policies and procedures necessary to ensure AVP's compliance with the DOJ Grants Financial Guide and federal grant award requirements related to performance and financial reporting, expenditures, drawdowns, and budget management. During our audit, AVP hired several new officials with responsibilities critical to ensuring its compliance with the grant financial and programmatic requirements. We determined written federal grant management responsibilities would also help ensure the continuity of AVP operations and compliance with federal grant requirements.

In addition to the recommendations described in the Grant Expenditures section of our report, we recommend OVW ensure AVP implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements.

¹ AVP also provided its Financial Controls Policy and Procedures Manual, which included general accounting, purchasing, and payroll policies and procedures. However, this manual did not include federal grant management policies and procedures.

Grant Expenditures

For Grant Number 2016-WL-AX-0020, AVP's approved budget included personnel, fringe benefits, travel, supplies, construction, contractual, and other direct cost categories. To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. AVP charged \$942,137 in expenditures to the grant, as of June 2021.² We reviewed documentation, accounting records, and performed verification testing related to a sample of \$60,828 (or 6 percent) in grant expenditures.

Personnel Costs

We reviewed a sample of \$23,003 of the total \$605,610 in personnel costs from two non-consecutive pay periods, that AVP charged to the grant, as of June 2021. Based on our testing, we determined AVP's total personnel costs for staff assigned to the grant-funded project were computed correctly, properly authorized, and accurately recorded in the accounting system. However, we determined AVP did not properly allocate personnel costs in accordance with the DOJ Grants Financial Guide, which requires grant recipients to ensure charges for salaries, wages, and fringe benefits are based on records that: (1) accurately reflect work performed, and (2) support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities. We determined AVP allocated time using percentages that were based on the estimated time employees were expected to work on grant-funded activities instead of actual work performed.

Additionally, we determined AVP used the estimated percentages to prepare timesheets instead of hours staff identified for specific activities or cost objectives. According to both staff and grant officials, allocating time and effort to specific projects was too time consuming and, after a new payroll system was adopted, AVP no longer required staff to distribute their hours by project or similar program activities. While we recognize AVP's concerns with tracking time and effort by specific funding sources, AVP's procedures for allocation personnel costs to the grant did not comply with the DOJ Grants Financial Guide.

We determined AVP's allocation procedures increased the risk that grant funds were used for activities that were unallowable or not eligible for LAV grant funding. We also determined that AVP's procedures prevented officials from obtaining data on the amount of time and effort staff spent serving its clients, including survivors of intimate partner violence, sexual violence, or stalking. Without this data, we found that AVP did not have the specific information critical to budgeting project costs and preparing future grant award applications. We question \$601,578, in personnel costs, as unsupported because AVP did not maintain required documentation to demonstrate compensation allocated to the grant was for LAV-funded activities.

We also determined that AVP charged \$4,848 in personnel costs (including \$815 in fringe benefits associated with \$4,033 in personnel) to the grant for work performed before the grant award period began on October 1, 2016. Costs incurred before a grant award period are unallowable grant expenditures, absent approval from OVW.

² These expenditures include amounts AVP recorded or charged to the grant but had not requested reimbursement.

As a result, we recommend OVW remedy \$601,578 in unsupported personnel costs and \$4,848 in unallowable pre-award costs. We also recommend OVW ensures AVP implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities.

Fringe Benefits

AVP charged \$124,687 to the grant for Fringe Benefits, including federal FICA (Social Security and Medicare) taxes, unemployment taxes, health insurance, and worker's compensation or disability insurance. AVP calculated these costs by applying rates included in its OVW approved budget, to all personnel costs allocated to the grant.³ Based on our analysis, we found that the budgeted rates for FICA taxes were accurate, but the other rates used were estimates and not based on actual costs that AVP paid on behalf of its employees. We also determined that the full rate was applied to employees that did not receive any, or only a portion, of the health insurance options offered by AVP.

As a result, we question \$78,667 in fringe benefits as unsupported grant expenditures because AVP did not use actual rates for all types of costs charged to the grant. This amount represents the \$124,687 in total fringe benefit costs less \$46,021 in FICA taxes.

According to an official, OVW informed AVP that fringe benefits should be calculated based on a fringe benefit rate approved by OVW. At the time of our audit, AVP had submitted its proposal, but the rate had not been approved by OVW. In lieu of an approved indirect cost rate, we determined AVP should have charged fringe benefits based on actual costs for health insurance, unemployment taxes, and worker's compensation or disability insurance.

We recommend OVW remedy \$78,667 in unsupported fringe benefits expenditures. We also recommend OVW ensure AVP implement written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.

Travel, Supplies, and Other Costs

We reviewed a sample of 17 expenditures in the travel, supplies, and other direct cost categories, or \$11,146 of the \$107,471 AVP charged to the grant. Based on our testing, we determined that for some of the sampled expenditures, AVP did not: provide reimbursement request forms; ensure reimbursement requests were submitted within 5 days of the expense date; or reconcile its petty cash on a monthly basis, as required by AVP's purchasing policies and procedures. We also determined that some of the costs were not listed in its approved budget or supported by documentation necessary to demonstrate costs were for survivors of intimate partner violence, sexual violence, or stalking.

³ AVP's budget did not identify which type of health insurances were included in this budgeted rate, but AVP's financial records indicated that health insurance may have included an employee's voluntary medical, dental, vision, and life insurance.

While we determined the discrepancies were not significant and did not identify any questioned costs, we found that AVP's accounting procedures were not adequate to ensure expenditures charged to the grant were approved by OVW in the grant budget and allocable to LAV-funded activities.

Other Direct Cost Allocation

Based on our testing, we determined AVP allocated \$67,831 in other direct costs to the Legal Services program and LAV grant. At the beginning of the award period, OVW instructed AVP's financial and programmatic grant managers that it should use a "...sophisticated accounting method for determining and charging an equitable portion of shared costs..." to its LAV grant's other direct cost category.

Based on our analysis of the documentation provided, we determined that amounts charged for rent, telephone, utility, and equipment lease costs were calculated based on a percentage of time allocated to grant activities, divided by the total time and effort for all AVP employees. Although this method directly allocated the shared costs evenly to the grant, we determined this approach was not appropriate because rental space is not typically distributed evenly among staff and the other costs are not readily assignable to specific employees. As a result, AVP should have requested reimbursement for these costs under its indirect cost rate agreement. By directly allocating the costs to the grant, we also found that AVP was reimbursed more than it should have received had it used the indirect cost method because the costs were included in its direct cost pool.

Therefore, we question \$67,831 in other direct costs as unsupported because the portion of shared costs charged to the grant was not equitable.

We recommend OVW remedy \$67,831 in unsupported other direct costs. We also recommend OVW ensure AVP implement written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements.

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. We reviewed a sample of two indirect cost expenditures totaling \$21,857. AVP calculated these costs based on costs it directly allocated to its grant between October 2019 and June 2020.

We did not identify significant discrepancies with AVP's indirect costs expenditures.

Budget Management and Control

According to the DOJ Grants Financial Guide, grant recipients are responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Award Modification (GAM) 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 AVP 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.

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. Based on our review, we determined AVP generally requested drawdowns on a reimbursement basis. As of September 2021, AVP had drawn down \$772,190. To assess whether AVP managed grant receipts in accordance with federal requirements, we compared cumulative reimbursements to accounting system expenditures.

During this audit, we did not identify significant deficiencies related to AVP's process for developing drawdown requests.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients are required to report the actual expenditures and unliquidated obligations incurred for the reporting period, as well as cumulative expenditures. To determine whether AVP submitted accurate Federal Financial Reports, we compared the four most recent reports as of June 2021 to AVP's accounting records for the grant.

We determined that quarterly expenditures for the reports we reviewed generally matched the accounting system. However, AVP overreported expenditures in one report and did not report indirect costs in the correct section in another report. We informed officials of these discrepancies and were told that the errors were caused by changes to how the financial information is entered in the DOJ's new JustGrants grant management system. Based on our assessment, we determined the inaccuracies were also caused by a lack of written federal grant administration policies and procedures for financial reporting, as discussed in the Grant Financial Management section.

We determined AVP should implement federal financial reporting procedures to ensure reports are prepared accurately in the future.

Conclusion and Recommendations

As a result of our audit testing, we concluded that AVP did not adhere to all of the grant requirements we tested but demonstrated adequate progress towards achieving the grant's stated goals and objectives. We did not identify significant issues regarding AVP's budget management and drawdowns. However, we found that AVP did not comply with essential award conditions related to performance reporting, compliance with award conditions, documenting its federal grant administration requirements in writing, maintaining appropriate support for personnel costs allocated to the grant, charging an equitable portion of program costs to the grant, and preparing its federal financial reports accurately. As a result of these deficiencies, we questioned \$748,076 in unsupported personnel fringe benefits, and other direct costs and \$4,848 in unallowable pre-award costs, resulting in total questioned cost of \$752,924. We provide 10 recommendations to OVW to address these deficiencies.

We recommend that OVW:

1. Ensure AVP implements written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.
2. Ensure AVP implements policies and procedures to ensure compliance with its federal grant award conditions.
3. Ensure AVP implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements.
4. Remedy \$601,578 in unsupported personnel expenditures.
5. Remedy \$4,848 in unallowable pre-award personnel and fringe expenditures.
6. Ensure AVP implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities.
7. Remedy \$78,667 in unsupported fringe benefits expenditures.
8. Ensure AVP implements written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.
9. Remedy \$67,831 in unsupported other direct costs.

10. Ensure AVP implements written policies and procedures to ensure program costs are approved by OWW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether AVP 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. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

This was an audit of the Office on Violence Against Women grant awarded to AVP under the Legal Assistance for Victims Program, Grant Number 2016-WL-AX-0020, totaling \$1,200,000. As of September 2021, AVP had drawn down \$772,190 of the total grant funds awarded. Our audit concentrated on, but was not limited to October 1, 2016, through November 2021, the last day of our audit work.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of AVP'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 award special conditions. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant 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 and JustGrants system, as well as AVP'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 AVP to provide assurance on its internal control structure as a whole. AVP's management is responsible for the establishment and maintenance of internal controls in accordance with the Uniform Administrative Requirements, Costs Principles, and Audit Requirements for

Federal Awards, 2 C.F.R. § 200. Because we do not express an opinion on AVP's internal control structure as a whole, we offer this statement solely for the information and use of AVP and OWW.⁴

In planning and performing our audit, we identified internal controls significant to AVP's federal grant administration. We assessed the design, implementation, and effectiveness of controls for accounting, payroll, purchasing, reporting, and grant performance management relevant to AVP's compliance with the DOJ Grants Financial Guide. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁴ 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	Amount	Page
Questioned Costs: ⁵		
Unsupported Personnel Costs	\$601,578	5
Unsupported Fringe Benefits	78,667	6
Unsupported Other Direct Costs	67,831	7
Unsupported Costs ⁶	\$748,076	
Unallowable Pre-Award Costs	\$4,848	5
Unallowable Costs	\$4,848	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$752,924</u>	

⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

⁶ Unsupported questioned costs include amounts AVP recorded or charged to the grant but had not requested reimbursement.

APPENDIX 3: The New York Gay and Lesbian Anti-Violence Project's Response to the Draft Audit Report



New York City Anti-Violence Project
116 Nassau Street, 3rd Floor
New York, NY 10038
212.714.1184 voice | 212.714.2627 fax
212.714.1141 24-hour hotline

New York City Anti Violence Project's Response to the LAV Audit Report

I am writing on behalf of the New York City Gay and Lesbian Anti-Violence Project, Inc. (AVP) to respond to the draft audit report on the Audit of the Office on Violence Against Women (OVW) Legal Assistance for Victims (LAV) Grant awarded to AVP, grant number 2016-WL-AX-0020.

AVP envisions a world in which all lesbian, gay, bisexual, transgender, queer (LGBTQ), and HIV-affected people are safe, respected, and live free from violence. AVP's mission is to empower LGBTQ and HIV-affected communities and allies to end all forms of violence through organizing and education, and support survivors through counseling and advocacy. AVP was founded in 1980 in reaction to neighborhood incidents of violence against LGBTQ and HIV-affected people, and the failure of the criminal legal system to respond. Today, AVP provides free and confidential assistance to thousands of LGBTQ and HIV-affected people each year across all five boroughs of New York City (NYC), who have experienced all forms of violence, through direct services (including counseling, advocacy, safety planning, support groups, legal consultation and representation, information, and referral), community organizing, public advocacy, education, and training. For forty years, AVP has been a national leader in providing safety, support, and services to LGBTQ and HIV-affected survivors of violence.

In 2010-2011, AVP was named a White House Champion of Change for our work on intimate partner violence within LGBTQ and HIV-affected communities, and we coordinate the National Coalition of Anti-Violence Programs (NCAVP), which publishes reports on violence within and against LGBTQ and HIV-affected communities and provides training and technical assistance around issues of violence within and against LGBTQ HIV-affected communities. AVP has received many awards and proclamations from City and State officials, including the New York City Mayor and Governor of New York State. AVP coordinates the New York State LGBTQ Intimate Partner Violence (IPV) Network, and partners with the Mayor's Office to End Domestic and Gender Based Violence, including partnering with New York City Family Justice Centers. AVP is the only LGBTQ-specific organization working to respond to and prevent IPV in New York City and one of only two in the state. AVP contracts with the local Human Resources Administration as the City-wide LGBTQ-specific non-residential Intimate Partner Violence (IPV) program, and we are the only LGBTQ-specific rape crisis program in the state.

The past several years have not been an easy time for our nation, and certainly not for survivors of IPV. AVP has met the challenges facing us in the last two years head on. Informed by a full four decades of work, in the face of a global pandemic, and escalating state violence. AVP did what we have always done—we stepped up and took care of one another. AVP remained agile and responsive as we dealt with escalating violence and rollbacks of protections. Coming from anti-LGBTQ, anti-immigrant, and racist people and groups, even some in power, this violence hit our communities hard, but AVP stood fast. AVP fought the ongoing attempts to roll back hard-won protections for our community, but we did not stop there. We helped every hotline caller, tracked and reported on the rising violence against LGBTQ communities, and mobilized our communities; building power to find innovative solutions and advocate for policy changes to reduce harms.

Serving New York's Lesbian, Gay, Bisexual, Transgender, Queer and HIV-Affected Communities
www.avp.org

In this audit report, there is a lot on which we agree with the findings of DOIG. During a tumultuous time, AVP, like many non-profits, faced challenges as we had to quickly move our operations remote to keep our communities and our staff safe during the pandemic, and to ensure that those who needed us still had access to lifesaving support and services. We faced staffing transitions, shortages, and escalating violence against and within our communities. Despite these challenges, AVP worked diligently to be in communication with all our funders, and to remain in compliance with our contracts, including those with OVW. AVP submitted a budget with our application, and ongoing reports, including invoices for billing, and budget modifications, and they were all approved by OVW. We were operating in good faith and believed we were fully in compliance with all conditions of our grant and our contract. At no time, until this audit, did we hear of any of these concerns, other than the submission of late reports, for which payment was withheld until all required materials had been submitted. Through it all, AVP continued to provide life-saving support and services to those impacted by IPV in our city, specifically LGBTQ and HIV-affected survivors of IPV who face bias, discrimination, and violence when attempting to get services from mainstream organizations.

We have carefully reviewed each of your findings and recommendations, and hereby provide a detailed response to each one below. In summary, we find: Overall, we agree and are pleased that the audit rightly found that there are no concerns regarding our budget management and drawdowns. We contest many of the other findings in this audit, which we believe are simply clerical issues or hypothetical concerns, of which we were never made aware. Further, none of the findings, even if they were correct, correspond with any significant harm to any potential or actual client of our organization, nor any misuse of funds.

AVP specifically contests the findings of this audit around record keeping and financial controls. We assert that we submitted and provided appropriate and sufficient supporting documentation of all expenditures and performance reports, and that our written policies and procedures are adequate for the purposes of ensuring compliance with all conditions of the award and our contract. We are always looking to improve our processes in alignment with the best accounting practices, however, and we will adjust, as specified in our detailed response below, in response to the findings of this audit and the upcoming resolution process. Further, we have ensured that each Finance and program staff member working on the grant is fully familiar with the DOJ Grants Financial Guide.

Below, please find our detailed response to each of the findings:

Program Performance and Accomplishments:

1. Program goals and objectives: We agree we demonstrated adequate progress in achieving the awards stated goals and objectives: to support victims of sexual assault, domestic violence, dating violence, and stalking who are seeking relief in legal matters relating to or arising out of abuse or violence.
2. Required Performance Reports:
 - a. **Accurate and supported reports:** We agree that AVP's semi-annual reports submitted in calendar year 2019 were supported and accurately portrayed the vital, lifesaving work AVP performs, using LAV funding.

- b. ***Under-reporting of achievements:*** Regarding the report's assertion that "AVP's reported achievements towards accomplishing the grant award goals and objectives may not represent all activities funded by the LAV grant." We work very hard to ensure that clients are selected for LAV funding using our eligibility criteria and allocations, to ensure we are being careful and accurate in allocating our work, in compliance with OVW standards. We do include other highlights of our work in our semi-annual reports, where we are allowed to share more information on our organization-wide work, including what may not be covered by LAV funding. Additionally, as discussed with the auditors, AVP is in the process of transitioning from the TIME database to Salesforce, which will allow us even more specific information, and the ease of pulling accurate information easily and quickly from the database, which will only strengthen our capacity to tell our story with clear data and evidence.
- c. ***Late reports:*** We acknowledge that we were not consistent in the timely submission of our semi-annual reports, missing more than one deadline. However, we contend that we bore the consequences of that lack of compliance by having our grant payments suspended until reports were submitted. The late submission was due to staff turnover, and we have addressed that by hiring not only a new Director, but also restructuring the department to include a Deputy Director as well. This has created redundancy in administrative responsibilities that will prevent late reporting in the future. Additionally, the legal department is now under the oversight of the Deputy Executive Director for Programs, who has deep experience in program oversight and federal grants management and compliance. This shift is helping with oversight on compliance with Programs-wide protocols and practices on all grants. AVP prides itself on our strong grants management practices, and in response to the issues we noted, and are identified in this report, we have refined existing structures and created new workflows within the Legal department. Our new database, Salesforce, will also make accurate and timely reporting on grants much easier.
- d. ***Written Performance Reporting Policies and Procedures:*** The reporting on the LAV grant had always been the responsibility of the Director of Legal Services, utilizing our case management software, TIME. The database was not as user-friendly, flexible, and helpful as it might have been, and we do believe that moving to Salesforce will make running consistent reports for each grant much easier to perform. Additionally, we have taken note of the recommendation that a lack of written policies and procedures for reporting on grants may have contributed to challenges. We have incorporated changes to our existing *AVP Grant Management Protocols* to address these recommendations, specifically including explicit mention of following individual funding requirements, statues, and regulations, including the *DOJ Grant Financial Guide*, and including a step for each report that is submitted, in which a clear narrative is provided explaining how we pulled the data for each report, and how we arrived at our total numbers.

3. Compliance with Award Conditions:

- a. **Submit criteria to OVW that was used to select client cases for grant-funded services.**
We agree with the audit findings that we completed these criteria.
- b. **Ensuring proper verification for employment eligibility for funded positions.** We contest the findings that we are not in compliance with this condition, and by extension, employment law. A few key facts support our contention:
- i. AVP has maintained 100% compliance with I-9 documentation of persons employed by the organization both during and beyond the grant periods.
 - ii. We are clear in our interviewing, hiring, and onboarding process with all prospective and newly hired employees that we require proof of employment eligibility.
 - iii. Prior to the pandemic and AVP moving to remote operations, our practice was for new staff members to meet with the Director of Finance and Operations at the office on their first day of work, presenting their documentation to verify employment eligibility. These documents were then put into the system.
 - iv. After AVP moved to remote operations due to the pandemic, we moved to a digital submission for these documents in May 2020. The documents are uploaded into the system within the first 1-3 days of employment. Under no circumstances does anyone receive an offer of employment from AVP without understanding they will need to provide employment eligibility verification; Under no circumstances does anyone receive a paycheck from AVP without having provided appropriate employment eligibility verification.
- c. **Have written procedures in place for personally identifiable information (PII), specifically regarding any potential breaches.** As is referenced in the report, AVP provided a copy of our *Personal Identity Information Security, Notification and Confidentiality Policy*. Regarding the lack of specific reference to notifying OVW, AVP will add a section to this policy, as follows “In the event of a breach of this information, AVP will notify any clients who may be impacted by the breach, and all relevant funding agencies that require notification in their contract or regulations, within required timeframes and as soon as reasonably possible.” Most notably, we feel it is necessary to stress here that AVP has never had a breach of PII. As an organization serving vulnerable LGBTQ and HIV-affected survivors of violence, including those who are being cyberstalked, those who are at risk should their LGBTQ identity be revealed, and others in various types of danger, AVP takes the security of our digital information very seriously. Recently, a staff member shared they feared a breach had occurred, and we immediately attended to this concern. We hired an external tech firm to conduct an official security audit to determine if there had ever been a breach, and if not, where we are vulnerable. The firm determined that there was no evidence of a breach of any kind and helped us identify continued ways to improve our security.
- d. **Inform employees in writing of employee rights and remedies regarding certain disclosures of information.** As is referenced in the report, AVP provided a copy of our *Whistleblower Policy*. The audit report incorrectly notes that the policy only covers

reporting matters internally, however, our written policy explicitly protects employees who make reports or disclosures either internally or to “a public body.” We contend that the purpose of this policy is to cover employees when reporting concerns internally and externally. This policy was originally created in 2010, directly at the advice of an attorney, in view of our responsibilities as a non-profit employer. Further, the policy has been reviewed multiple times to ensure we are in full compliance with expectations of an employer, and these concerns were never raised, leading us to believe, in good faith, that we were adequately instructing our staff they had the right to share concerns internally and externally without repercussions. Now that this is brought to our attention, in our interest to constantly improve, we will clarify that the policy covers internal and external reporting and will add that we do so in compliance with all relevant city, state, and federal statutes, regulations, and contract requirements.

Grant Financial Management:

1. Overall Financial Management: We appreciate the acknowledgement in the audit that no significant concerns related to grant financial management were found.
2. Written federal grant management policies and procedures: Continuity around reporting has largely been occurring utilizing *AVP Grant Management Protocols* as well as through onboarding and training. Based on the audit findings, we will add to our existing protocols explicit mention of the individual funding requirements, statues, and regulations, including the *DOJ Grant Financial Guide*.

Grant Expenditures:

1. Personnel Costs:
 - a. Total Personnel Cost: We appreciate the acknowledgement in the audit that AVP’s total personnel costs for staff assigned to the grant-funded project were computed correctly, properly authorized, and accurately recorded in the accounting system.
 - b. Accurate records that reflect reasonable allocation and distribution of costs: We contest the allegation that AVP did not properly allocate personnel costs in accordance with the *DOJ Grants Financial Guide*. Because of the size of our organization, and our limited administrative and technological capacity, utilizing a “billable hours” model is not practical (it would be unduly burdensome for staff). We have adopted careful and diligent practices to ensure compliance with grant requirements. Specifically, we contend that our practices support accurate allocation of time and resources to grants, in compliance with the *Guide*, as follows:
 - i. The audit is correct that we project allocations according to FTE when we apply for grants, in order to plan our work and create a corresponding budget that accurately reflects our plans and projections. We then assign the work according to those allocations and the required programmatic goals and objectives of the contract.

- ii. Our supervisory and management practice is that we then verify time allocations for each employee and continue to monitor that they remain accurate and reflective of the time and effort expended on specific grant-funded projects, as part of our ongoing supervisory and grants management processes.
 - iii. Therefore, our timekeeping practice is that the time allowed to be spent on each grant is planned in advance and then staff report and sign off on this time on their timesheets.
 - iv. We are in the process of instituting an additional policy where supervisors will also review and compare workload and allocations in regular, weekly, staff supervision, to ensure that planned allocations remain proper and adjust those allocations where needed.
- 2. Fringe Benefits: We agree that communications between OVW and AVP clarified that fringe benefits should be calculated based on a fringe benefit rate approved by OVW. AVP has made every effort to submit applications for negotiated Indirect Cost and Fringe rates as required, but responses from the agency have been significantly delayed. During the calendar year 2021, we were still awaiting approval of Indirect Cost rates from Fiscal Years 2019 and 2020. We further agree that AVP has charged fringe benefits to the grants based on a percentage of an overall organizational cost pool, rather than on the cost of individual employees' benefits. We look forward to resolving this, but we also believe that recalculating the cost of fringe benefits per individual will result in little or no material change.
- 3. Travel, Supplies, and Other Costs: We agree that the few minor discrepancies identified in the audit were not significant.
- 4. Other Direct Cost Allocation: During budget preparation for each funding period, and in every subsequent budget modification, a proportion of rent, utilities, and general maintenance was allocated to the grant via the FTE percentage method and was included under the OTPS section of the budget. The budgets and budget modifications were pre-approved, and vouchers submitted by AVP were in line with the approved budgets. We believe these overhead costs were appropriately allocated as project site expenses.
- 5. Indirect Costs: We concur that there were no significant discrepancies with AVP's indirect costs expenditures identified.

Budget Management and Control:

- 1. Drawdowns: We concur that no significant deficiencies related to AVP's process for developing drawdown requests identified.
- 2. Federal Financial Reports: As mentioned above, LAV grant reporting using our case management software, TIME, was more difficult than we believe our new database, Salesforce, will be. Further, we have taken note of the recommendation that a lack of written policies and procedures for reporting on grants may have contributed to challenges and have incorporated

changes to our existing *AVP Grant Management Protocols* to address these recommendations. Specifically, we are including explicit mention of following individual funding requirements, statues, and regulations, including the *DOJ Grant Financial Guide*, and including a step for each report that is submitted, in which a clear narrative is recorded explaining how we pulled the data for each report, and how we arrived at our total numbers.

Conclusion and Recommendations:

AVP concurs with the audit report that AVP demonstrated adequate progress towards achieving the grant's stated goals and objectives, and that there were issues to address in our adherence to the letter of specific grant requirements. However, we maintain that we have been in compliance and have demonstrated that we have fully executed the goals and objectives related to the contract and that we have done so in good faith, and that we were utilizing systems and practices that are in compliance with LAV's requirements. AVP has had contracts with LAV since 2013. Each report submitted has been reviewed by OVW with no concerns raised and every funding drawdown has been regularly approved, except when our reports have been late, as mentioned above. Additionally, AVP staff have attended required LAV trainings and have maintained regular communication with our contract managers to ensure that we comply. At no time have these concerns been raised by LAV staff.

Further, we submit that AVP provides life-saving services to marginalized and underserved LGBTQ survivors of intimate partner violence, dating violence, sexual violence, and stalking, predominantly queer and trans people of color, and that we have continued doing so in challenging circumstances, through a global pandemic and racial justice uprising. We pride ourselves on providing high quality services, and reporting both internally and externally, in compliance with all grant requirements, statues, and regulations. Thus, while the timing of this audit and reporting has been unfortunately burdensome on our staff, we have striven to be timely and accurate in addressing each concern comprehensively.

As specified above, while we do not agree with all the audit's conclusions, we strive for excellence, and will work diligently to resolve these matters. Therefore, we respond individually to each of the recommendations which the audit report makes to OVW below:

- 1. *Ensure AVP implements written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.*** As outlined above, AVP's new database, Salesforce, which we are currently implementing, will improve AVP's capacity to provide timely, detailed, and accurate reports. Additionally, staff responsible for collecting the data for and submitting reports will be held accountable for the timeliness and accuracy of those reports.
- 2. *Ensure AVP implements policies and procedures to ensure compliance with its federal grant award conditions.*** As mentioned above, AVP has incorporated changes to our existing *AVP Grant Management Protocols* to address these recommendations, specifically including explicit mention of following individual funding requirements, statues, and regulations, including the *DOJ Grant Financial Guide*, and including a step for each report that is submitted, in which a clear narrative is provided explaining how we pulled the data for each report, and how we arrived at our total numbers.

3. ***Ensure AVP implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements.***
As mentioned above, AVP has incorporated changes to our existing *AVP Grant Management Protocols* to address these recommendations, specifically including explicit mention of following individual funding requirements, statues, and regulations, including the *DOJ Grant Financial Guide*, and including a step for each report that is submitted, in which a clear narrative is provided explaining how we pulled the data for each report, and how we arrived at our total numbers.
4. ***Remedy \$601,578 in unsupported personnel expenditures.*** Per our above assertions, we do not agree with this recommendation. We believe we have sufficient documentation that personnel completed the hours billed through our system of setting allocations based on the work that we expect to perform and monitoring those allocations, further evidenced by the fact that the stated goals and objectives were fully completed.
5. ***Remedy \$4,848 in unallowable pre-award personnel and fringe expenditures.*** Per our above assertions, we do not agree with this recommendation.
6. ***Ensure AVP implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities.*** As mentioned above, we disagree that the personnel expenditures do not accurately reflect work performed, as these allocations are pre-planned and recorded on signed timesheets. However, we are in the process of not only implementing a new database, Salesforce, but also implementing supervision protocols to add an additional layer of accountability, in which the allocations will be checked against each staff member's work performed.
7. ***Remedy \$78,667 in unsupported fringe benefits expenditures.*** Per our above assertions, we do not agree with this recommendation.
8. ***Ensure AVP implements written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.*** As mentioned above, AVP will continue to pursue an approved fringe rate based on the avenues available to us through OVW. During the period of time that we await approval, we look forward to resolving any discrepancies in the fringe benefits calculation as part of the resolution process.
9. ***Remedy \$67,831 in unsupported other direct costs.*** Per our above assertions, we do not agree with this recommendation.
10. ***Ensure AVP implements written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements.***

AVP's existing *Internal Control Manual* includes pre-approval of all contract budgets by the funder, including but not limited to OVW, to ensure that budgeted costs are appropriately allocable to grants before expenses are incurred. Furthermore, AVP's longstanding practice is to receive pre-approval from the funding agency on all contracts for both budgets and any budget modifications that may occur during a funding period. In accordance with generally accepted accounting principles, all organizational expenses, whether grant-funded or not, are required to be supported with adequate documentation. AVP's existing purchasing and procurement policies are already compliant with federal standards.

In conclusion, we thank you for the opportunity to outline our responses in detail. We look forward to resolving these concerns and continuing our longstanding relationship with OVW in order to advance our lifesaving work.

Sincerely,



Beverly Tillery
Executive Director
New York City Anti-Violence Project

APPENDIX 4: The 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

January 21, 2022

MEMORANDUM

TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office

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

Erin Lorah *EL*
Acting 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 (OVW) Grant Awarded to the New York City Gay and Lesbian Anti-Violence Project (AVP), New York, New York

This memorandum is in response to your correspondence dated December 1, 2021, transmitting the above Draft Audit Report for the New York City Gay and Lesbian Anti-Violence Project (AVP), New York, New York. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 10 recommendations with \$752,924 of 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 recommendation.

1. Ensure AVP implements written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.

Concur: OVW will coordinate with AVP to ensure that they implement written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to the New York City Gay and Lesbian Anti-Violence Project (AVP), New York, New York

2. Ensure AVP implements policies and procedures to ensure compliance with its federal grant award conditions.

Concur: OVW will coordinate with AVP to ensure that they implement policies and procedures to ensure compliance with its federal grant award conditions. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

3. Ensure AVP implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements .

Concur: OVW will coordinate with AVP to ensure that they implement written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

4. Remedy \$601,578 in unsupported personnel expenditures.

Concur: OVW will work with AVP to ensure that they remedy the \$601,578 in unsupported personnel expenditures.

5. Remedy \$4,848 in unallowable pre-award personnel and fringe expenditures.

Concur: OVW will work with AVP to ensure that they remedy the \$4,848 in unallowable pre-award personnel and fringe expenditures.

6. Ensure AVP implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities.

Concur: OVW will coordinate with AVP to ensure that they implement written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to the New York City Gay and Lesbian Anti-Violence Project (AVP), New York, New York

7. Remedy \$78,667 in unsupported fringe benefits expenditures.

Concur: OVW will work with AVP to ensure that they remedy the \$78,667 in unsupported fringe benefits expenditures.

8. Ensure AVP implements written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.

Concur: OVW will coordinate with AVP to ensure that they implement written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

9. Remedy \$67,831 in unsupported other direct costs.

Concur: OVW will work with AVP to ensure that they remedy the \$67,831 in unsupported other direct costs.

10. Ensure AVP implements written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements.

Concur: OVW will coordinate with AVP to ensure that they implement written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements. In its response, AVP noted that they updated their policy and procedures document, but the document was never provided along with their response.

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

Julie Aldrich
Grant Program Specialist
Office on Violence Against Women

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Legal Assistance for Victims Grant Awarded to the New York City Gay and Lesbian Anti-Violence Project (AVP), New York, New York

Mychal Sterling
Grants Financial Analyst
Office on Violence Against Women

Virginia Baran
Program Manager
Office on Violence Against Women

Thelma Bailey
Program Assistant
Office on Violence Against Women

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office on Violence Against Women (OVW) and the New York City Gay and Lesbian Anti-Violence Project (AVP). OVW's response is incorporated in Appendix 4 and AVP's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OVW concurred with our recommendations and, as a result, the status of the audit report is resolved. AVP did not agree with five of the recommendations and did not state whether it agreed or disagreed with the remaining five recommendations. AVP also explained actions it had taken or planned to take that we believe will help address the issues we identified in our audit. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation for OJP:

- 1. Ensure AVP implements written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with AVP to ensure it implements written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments toward achieving federally assisted activities. OVW also stated that AVP did not submit copies of updated policy and procedures referenced in its response. As a result, this recommendation is resolved.

AVP did not agree or disagree with this recommendation. AVP stated in its response that it had incorporated changes to its existing *Grant Management Protocols* to address the recommendation. However, AVP did not submit copies of the revised protocols or other written policies and procedures as part of its response to this recommendation. AVP also stated that it works very hard to ensure that clients are selected for LAV funding using its eligibility criteria and allocations, so that it is being careful and accurate in allocating its work, in compliance with the OVW standards. However, AVP did not provide any documentation demonstrating that data in its performance reports represented an appropriate share of accomplishments towards achieving federally assisted activities when it received funding from multiple sources to fund survivors of sexual, domestic, and intimate partner violence.

In its response, AVP acknowledged that its reports were submitted late and attributed the lateness to staff turnover. To address this issue, AVP stated that it hired a new Legal Services Director, established a Deputy Director of Legal Services position, and assigned the Deputy Executive Director for Programs to oversee Legal Services. Additionally, AVP's response indicated that the only consequence of untimely reports was that its funding was suspended. However, AVP's failure to submit most of its performance reports timely prevented OVW from obtaining critical information it required to manage the grant award program and report accomplishments to Congress and other stakeholders.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written performance reporting policies and procedures to ensure its reports are accurate, submitted timely, and reflect an appropriate share of accomplishments towards achieving federally assisted activities.

2. Ensure AVP implements policies and procedures to ensure compliance with its federal grant award conditions.

Resolved. OWW concurred with our recommendation. OWW stated in its response that it will coordinate with AVP to ensure that it implements policies and procedures to ensure compliance with federal grant award conditions. OWW also stated that AVP did not submit copies of updated policy and procedures referenced in its response. As a result, this recommendation is resolved.

AVP did not agree or disagree with this recommendation and, in its response, stated that it has incorporated changes to its existing *Grant Management Protocols* to address the recommendation, including explicit mention of funding requirements, statutes, regulations, and the DOJ Grants Financial Guide. With respect to our specific findings, AVP contested that it did not comply with the employment eligibility verification requirements and, by extension, employment law and provided several facts to support its argument. Specifically, AVP stated that it: maintained 100 percent of I-9 documentation of persons employed by the organization during and beyond the grant periods; communicated requirements to prospective and newly hired employees; and verified required records before and during the COVID-19 Public Health Emergency. Although we did not take exception with AVP's recordkeeping or communication of requirements to its employees, we found that AVP did not complete its verifications within the timeframes established by the United States Customs and Immigration Services, as detailed in our report. AVP stated that it would add language to its Personal Identify Information Security, Notification, and Confidentiality Policy for reporting breaches of personally identifiable information to OWW. However, the language it agreed to add did not meet the grant award condition requirement that actual or imminent breaches be reported to AVP within 24 hours after an actual breach or imminent breach.

AVP additionally stated that our report incorrectly noted that its Whistleblower Policy only covers reporting matters internally because its written policy protects employees who make reports or disclosures either internally or to "a public body." Although AVP is correct that its policy includes this language, this section of the policy appears after stating: "An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of AVP and provides AVP with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described is only available to employees that comply with this requirement." Based on this language, and as explained to officials during the audit, we determined its written Whistleblower Policy did not meet the special condition, or the requirements of 41 U.S.C. § 4712. Based on our audit results and AVP's response, it is our position that AVP's Whistleblower Policy conflicts with the protections provided by 41 U.S.C. § 4712 and may discourage employees from reporting protected matters to federal Inspectors General, OWW, Congress, and other external parties. AVP agreed to clarify that its policy covers internal and external reporting in compliance with all relevant city, state, and federal statutes, regulations, and contract requirements, but we determined additional revisions would be required to ensure its policy complies with the award condition.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written policies and procedures to ensure its compliance with federal grant award conditions.

3. Ensure AVP implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with AVP to ensure that it implements written federal grant administration policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements. OVW also stated that AVP did not submit copies of the updated policy and procedures referenced in its response. As a result, this recommendation is resolved.

AVP did not agree or disagree with our recommendation, but stated in its response that it has incorporated changes to its existing *Grants Management Protocols*, including explicit mention of the individual funding requirements, statutes, and regulations, including the DOJ Grants Financial Guide. While we believe that adding this information to its existing protocols will improve its grant management, AVP's response did not address our recommendation to implement written federal grant administration policies and procedures. Adding references to requirements, in the absence of policies and procedures, would not ensure AVP's compliance with the DOJ Grants Financial Guide and federal grant award requirements.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written policies and procedures to ensure compliance with the DOJ Grants Financial Guide and other federal grant award requirements.

4. Remedy \$601,578 in unsupported personnel expenditures.

Resolved. OVW concurred with our recommendation. OVW stated that it will work with AVP to ensure that it remedies the \$601,578 in unsupported personnel expenditures. As a result, this recommendation is resolved.

AVP did not agree with this recommendation and stated that it believed that its system of setting allocations based on the work that AVP expects to perform and monitoring those allocations provided sufficient documentation that personnel completed hours billed. AVP also stated that its system was adequate, as evidenced by the fact that the stated goals and objectives were fully completed. However, AVP did not provide any records to support its assertions that its personnel expenditures complied with the award requirements found in the Guide.

This recommendation can be closed when we receive documentation demonstrating that OVW remedied the \$601,578 in unsupported personnel expenditures.

5. Remedy \$4,848 in unallowable pre-award personnel and fringe expenditures.

Resolved. OVV concurred with our recommendation. OVV stated that it will work with AVP to ensure that it remedies the \$4,848 in unallowable pre-award personnel and fringe expenditures. As a result, this recommendation is resolved.

AVP did not agree with this recommendation and did not provide any further information about why it disagreed in its response.

This recommendation can be closed when we receive documentation demonstrating OVV remedied the \$4,848 in unallowable pre-award personnel and fringe expenditures.

6. Ensure AVP implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities.

Resolved. OVV concurred with our recommendation. OVV stated in its response that it will coordinate with AVP to ensure that it implements written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when recipients work on multiple grant programs or cost activities. OVV also stated that AVP did not submit copies of updated policy and procedures referenced in its response. As a result, this recommendation is resolved.

AVP disagreed with our recommendation and, in its response, stated that it disagreed that personnel expenditures do not accurately reflect work performed, as these allocations are pre-planned and recorded on signed timesheets. Additionally, AVP stated that it was in the process of implementing a new database and supervision protocols to add an additional layer of accountability so that allocations will be checked against staff member's work performed. However, we determined AVP's response did not provide new or additional information or any records to support its disagreement with this recommendation. It also did not provide documentation to demonstrate how its policies and procedures ensure that costs charged to the grant comply with the DOJ Grants Financial Guide.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written policies and procedures to ensure personnel expenditures charged to its federal grants are based on records that accurately reflect work performed and support a reasonable allocation or distribution of costs among specific activities or cost objectives when staff work on multiple grant programs or cost activities.

7. Remedy \$78,667 in unsupported fringe benefits expenditures.

Resolved. OVV concurred with our recommendation. OVV stated that it will work with AVP to ensure that it remedies the \$78,667 in unsupported fringe benefits expenditures. As a result, this recommendation is resolved.

AVP did not agree with the recommendation and did not provide any further information about why it disagreed in its response. AVP agreed that it charged fringe benefits to the grants based on a percentage of an overall organization cost pool rather than the cost of individual employees' benefits. It also stated that communications between OVW and AVP clarified that fringe benefits should be calculated based on a fringe benefit rate approved by OVW. AVP further stated that it has made every effort to submit applications for negotiated Indirect and Fringe rates as required, but responses from the agency have been significantly delayed. However, AVP did not submit any documentation to support that its proposals were submitted on time. During the audit, we informed AVP officials that one of the reasons its negotiated indirect cost rates agreement approvals may have been delayed was because AVP did not submit proposals for some years, submitted the proposals late.

Furthermore, AVP stated that it believed recalculating fringe benefits for each individual would result in little or no material change in the costs charged to the grant. However, it did not provide any records or documentation to support this assertion.

This recommendation can be closed when we receive documentation demonstrating OVW remedied the \$78,667 in unsupported fringe benefits costs.

8. Ensure AVP implements written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with AVP to ensure that it implements written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly. OVW also stated that AVP did not submit copies of the updated policy and procedures referenced in its response. As a result, this recommendation is resolved.

AVP did not agree or disagree with this recommendation, but stated in its response that it will continue to pursue an approved fringe benefit rate based on the avenues available to it through OVW, and looks forward to resolving any discrepancies in the fringe benefit calculations as part of the resolution process.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written policies and procedures to ensure fringe benefit expenditures are accurate and calculated correctly.

9. Remedy \$67,831 in unsupported other direct costs.

Resolved. OVW concurred with our recommendation. OVW stated that it will work with AVP to ensure that it remedies the \$67,831 in unsupported other direct costs. As a result, this recommendation is resolved.

AVP did not agree with this recommendation and, in its response, asserted that the overhead costs

were appropriately allocated as project site expenses. AVP also stated that during budget preparation for each funding period, and in every subsequent modification, a proportion of rent, utilities, and general maintenance was allocated to the grant using the FTE percentage method and was included under an "OTPS" section of its budget. AVP did not provide any new or additional information or documentation to support its assertion that its method of directly allocating other costs to the grant ensured that an equitable portion of shared costs was charged to the grant.

This recommendation can be closed when we receive documentation demonstrating OVW remedied the \$67,831 in unsupported other direct costs.

10. Ensure AVP implements written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with AVP to ensure that it implements written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing procedures and the federal grant requirements. OVW also stated that AVP did not submit copies of updated policies and procedures referenced in its response. As a result, this recommendation is resolved.

AVP did not agree or disagree with this recommendation and stated in its response that its existing Internal Control Manual includes pre-approval of all contract budgets by the funder, including but not limited to OVW, to ensure that budgeted costs are appropriately allocable to grants before expenses are incurred. AVP further stated it has a longstanding practice to receive prior approval from the funding agency on all contracts for budgets and any budget modifications that may occur during the funding period. AVP also stated that its existing purchasing and procurement policies are already compliant with federal standards and all organizational expenses, whether grant funded or not, are required to be supported with adequate documentation in accordance with accepted accounting principles.

Although AVP stated that its policies and procedures were already compliant with federal standards, it agreed with our finding that travel, supplies, and other direct expenditures were not approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing policies and procedures and the federal grant requirements. Overall, we determined AVP's response did not provide new or additional information related to this recommendation.

This recommendation can be closed when we receive documentation demonstrating AVP implemented written policies and procedures to ensure program costs are approved by OVW, allocable to the grant, and supported with adequate documentation necessary to demonstrate compliance with its purchasing policies and procedures and the federal grant requirements.