



**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
TRIBAL VICTIM ASSISTANCE GRANT  
AWARDED TO THE  
SOBOBA BAND OF LUISEÑO INDIANS  
SAN JACINTO, CALIFORNIA**

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

Audit Report GR-90-14-002  
April 2014

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**EXECUTIVE SUMMARY**

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of a Tribal Victim Assistance Grant, 2003-VF-GX-0010, in the amount of \$593,175 awarded by the Office of Justice Programs (OJP), Office for Victims of Crime to the Soboba Band of Luiseño Indians (Soboba), San Jacinto, California. The purpose of the grant was to assist Soboba in planning and implementing a 3-year program to improve its ability to provide services to victims of crimes, such as child abuse, homicide, elder abuse, driving while intoxicated, and gang violence. As of the grant end date on August 31, 2007, Soboba had expended \$589,535 (99 percent); OJP de-obligated the remaining balance of \$3,640.

**Audit Results**

The purpose of our audit was to determine whether costs claimed under OJP Grant 2003-VF-GX-0010 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, indirect costs, and monitoring of sub-recipients and contractors were not applicable to the grant.

As a result of our audit we found that the grantee complied with requirements related to budget management and post end date activity. However, we found weaknesses in the areas of expenditures, matching, reporting, and program performance and accomplishments. Specifically, we found that Soboba failed to maintain adequate support related to its performance and accomplishment of grant objectives. Because performance-related records were incomplete and commingled with other federal grant records, we were unable to determine whether Soboba accomplished its grant objectives. Therefore, we questioned the total amount that Soboba drew down, \$589,535. Those questioned drawdowns include \$330,556 in inadequately supported salary and fringe benefits for two employees for which Soboba failed to maintain semi-annual certifications as required. In our review of Soboba's matching funds and expenditures, we found \$3,229 in grant expenditures lacked proper approval and support (\$2,170 pertained to a timecard without supervisory approval and \$1,059 in travel expenses lacked adequate

support), and \$184,694 in matching funds were inadequately supported and were not traceable to the accounting records. Furthermore, we found that three Progress Reports were submitted late, one being 169 days late, and three Progress Reports contained inaccurate data regarding the number of victims served and included unsupported data regarding the number of volunteers hours provided. Finally, Soboba submitted one Financial Status 311 days late and four reports were inaccurate.

These items are discussed in detail in the Findings and Recommendations section of the report. Our report contains six recommendations to OJP. Our audit objective, scope, and methodology are discussed in Appendix I. Our Schedule of Dollar-Related findings is located in Appendix II.

We have discussed the results of our audit with Soboba officials and have included their comments in the report, as applicable. In addition, we requested from Soboba and OJP written responses to a draft copy of our audit report. We received those responses and they are found in Appendices III and IV, respectively. Our analysis of those responses and the status of the recommendations are found in Appendix V.

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**INTRODUCTION**

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**EXHIBIT 1: OJP TRIBAL VICTIM ASSISTANCE GRANT  
AWARDED TO SOBOBA**

GRANT AWARD NUMBER	AWARD START DATE	AWARD END DATE <sup>1</sup>	AWARD AMOUNT
2003-VF-GX-0010	09/01/03	08/31/04	\$ 197,725
Supplemental Award 1	09/01/03	08/31/05	197,725
Supplemental Award 2	09/01/03	08/31/07	197,725
<b>Award Total</b>			<b>\$ 593,175</b>

Source: OJP

The purpose of our audit was to determine whether costs claimed under grant 2003-VF-GX-0010 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant(s). The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that program income, indirect costs, and monitoring of sub-recipients and contractors were not applicable to the grant.

<sup>1</sup> The Award End Date includes all time extensions that were approved by the Office for Victims of Crime.

## Background

Soboba is located at the base of the San Jacinto Mountains bordering the City of San Jacinto, California, which is approximately 85 miles east of Los Angeles, California. On June 19, 1883, approximately 3,172 acres were ordered set aside to establish the Soboba Indian Reservation for the permanent occupation and use of the Soboba people. The reservation today encompasses nearly 7,000 acres, 400 of which are devoted to residential use. The Soboba Band has a current enrollment of approximately 1,200 tribal members, who are governed by an elected tribal council that consists of 5 tribal members.

OJP's mission is to increase public safety and improve the fair administration of justice through innovative leadership and programs. OVC's purpose is to assist crime victims and to provide leadership in changing attitudes, policies, and practices to promote justice and healing for all victims of crime.

## OIG Audit Approach

We tested Soboba's compliance with what we consider to be the most important conditions of the grant awards. Unless otherwise stated in our report, the criteria we audited against are contained in the *OJP Financial Guide*, award documents, Code of Federal Regulations, and Office of Management and Budget (OMB) Circulars. Specifically, we tested:

- **Internal Control Environment** – to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard the funds awarded to Soboba and ensure compliance with the terms and conditions of the grants.
- **Drawdowns** – to determine whether drawdowns were adequately supported and if Soboba was managing receipts in accordance with federal requirements.
- **Expenditures** – to determine whether costs charged to the grant, including payroll and fringe benefits, were accurate, adequately supported, allowable, reasonable, and allocable. In addition, we tested expenditures related to the purchase of accountable property and equipment to determine whether Soboba accurately recorded expenditures in its accounting system.
- **Matching** – to determine whether Soboba provided its match in accordance with the award documents.
- **Budget Management** – to determine whether there were deviations between the amounts budgeted and the actual costs for each category.

- **Reports** – to determine if the required financial and programmatic reports were submitted on time and accurately reflected grant activity.
- **Additional Award Requirements** – to determine whether Soboba complied with award guidelines, special conditions, and solicitation criteria.
- **Program Performance and Accomplishments** – to determine whether Soboba made a reasonable effort to accomplish stated objectives.
- **Post End Date Activity** – to determine whether Soboba complied with post end date award requirements.

The results of our audit are discussed in detail in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology are discussed in Appendix I.

We discussed the results of our audit with Soboba officials and have included their comments in the report, as applicable. In addition, we requested from Soboba and OJP written responses to a draft copy of our audit report. We received those responses and they are found in Appendices III and IV, respectively. Our analysis of those responses and the status of the recommendations are found in Appendix V.

## **FINDINGS AND RECOMMENDATIONS**

We found weaknesses in the areas of expenditures, matching, reporting, and program performance and accomplishments. We questioned \$589,535 related to program performance records which were incomplete and commingled with other federal grant records, and therefore, insufficient for us to determine whether Soboba accomplished its grant objectives. Based on records provided by the project director, we were unable to confirm that the services were performed solely for the benefit of the grant. We determined that Soboba did not appropriately record or maintain verifiable records to support the \$184,694 of in-kind match it reported. Additionally, we found \$2,170 in salary expenditures, which did not have supervisory approval, \$330,556 in inadequately supported salary expenditures for which Soboba failed to maintain semi-annual certifications as required, and \$1,059 in travel expenditures which lacked adequate support. One Financial Status Report was late by 311 days and four were inaccurate. Three Progress Reports were submitted late, one being 169 days late. In addition, three Progress Reports included inaccurate victim data and inadequately supported volunteer hours.

### **Internal Control Environment**

We reviewed Soboba's policies and procedures, Single Audit Report, and financial management system to assess its risk of noncompliance with laws, regulations, guidelines, terms and conditions of the grant. We also interviewed individuals from Soboba's grant management, accounting, and finance staff regarding internal controls and processes related to payroll, purchasing, and accounts payable functions. Finally, we observed the financial management system taken as a whole to further assess risk.

Our review of any potential internal control issues disclosed in the Single Audit Report, or found in our review of Soboba's financial management system, are discussed below in the Single Audit and Financial Management sections, respectively. In addition, we reviewed Soboba's accounting and administration policies, interviewed Soboba's Chief Financial Officer, and observed Soboba's disbursement procedures with accounting staff. As a result, we determined that Soboba adequately segregated duties, and tracked grant receipts and non-personnel expenditures with the exception of in-kind match. For the personnel and in-kind match expenditures, we found that Soboba's internal controls were insufficient to ensure that Soboba could support these transactions. We discuss both the payroll and in-kind match lack of support in the Personnel and Matching sections of this report. With the exception of the issues noted above, we determined that the internal controls in place for the processing and payment of funds were adequate to safeguard grant funds and ensure compliance with grant terms and conditions.

## *Single Audit*

According to OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a Single Audit conducted. At the start of our fieldwork, the most recent Single Audit Report available for Soboba was for fiscal year (FY) 2009. We reviewed Soboba's FY 2009 Single Audit Report and found that the independent auditors had issued an unqualified opinion with respect to the Federal Grants Fund of the Tribe.<sup>2</sup>

## *Financial Management System*

The *OJP Financial Guide* requires that all grant fund recipients establish and maintain accounting systems and financial records to accurately account for funds awarded to them. This requirement includes adequate maintenance of financial data to record and report on the receipt, obligation, and expenditure of grant funds. Furthermore, the Guide stipulates that grantees must account for each award separately and may not commingle grant funds.

In our review of Soboba's financial management system, we found that Soboba changed accounting systems during the performance period of the grant. Initially, Soboba used an accounting system called Peachtree before migrating grant transaction data from Peachtree to a new system called Navision at the end of December 2005. Since all financial data for the grant had been migrated, we focused our review on the current Navision accounting system in place.

Based on our overall review of grant-related transactions that were recorded in Navision, we found that Soboba separately tracked grant-related transactions (receipts and expenditures) from all other funding. Further, we found that Soboba accurately accounted for grant-related receipts and expenditures within its accounting system, with one exception. Soboba failed to record a \$184,694 in-kind match in the grant account. Therefore, we recommend that OJP require Soboba to establish appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches.

## **Drawdowns**

According to the *OJP Financial Guide*, grant recipients should request funds based upon immediate disbursement or reimbursement needs. Specifically, recipients should time their drawdown requests to ensure that federal cash-on-hand is the minimum needed for disbursements made within 10 days.

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<sup>2</sup> Soboba's audited financial statements only presented Soboba's Federal Grants Fund and it did not represent the financial position of the Soboba Band of Luiseno Indians as a whole. The Federal Grants Fund is a special revenue fund of the Soboba Band of Luiseno Indians, accounts for all activities of Soboba which are funded solely or partially from federal and state awards.

Soboba's Chief Financial Officer stated that grant funds were drawn down on a reimbursement basis. Based on our review, we found that Soboba drew down funds, generally on a reimbursement basis, and adhered to the Guide's federal cash-on-hand requirement with one exception. The drawdown of \$2,394 was 18 days in advance. Given that all other drawdowns in excess of expenditures were found to have been disbursed within 10 days of the drawdown date, we do not take exception to this one occurrence where Soboba's advance slightly exceeded the 10-day requirement.

## **Expenditures**

As of the grant end date on August 31, 2007, Soboba expended a total of \$589,535 on grant-related expenses. The expenditures were comprised of personnel, fringe benefits, accountable property, travel, supplies, and other costs.<sup>3</sup>

We selected a non-statistical sample of 50 non-personnel transactions totaling \$19,396 (3 percent of the total expenditures) in order to determine if costs charged to the grant were allowable, properly authorized, adequately supported, and in compliance with grant terms and conditions. The expenditures we selected included travel, supplies, consulting, and other expenditures. We reviewed supporting documentation including purchase orders, invoices, receipts, and check copies. Twenty five sample transactions were selected from the highest dollar transactions in the universe and the remaining sample transactions were judgmentally selected. During the course of our testing, we found unsupported travel charges totaling \$1,059. According to the Uniform Administrative Requirements for State and Local Governments, C.F.R. Title 28 Part 66, accounting records must be supported by such source documentation as cancelled checks, paid bills, payroll records, time and attendance records, and contract and sub-grant award documents. Based on our testing, we found that Soboba charged to the grant airfare that lacked authorization and was inadequately supported. As a result, we questioned \$1,059 in travel expenses.

### *Personnel*

We selected a judgmental sample of two non-consecutive pay periods for testing, which included salaries and fringe benefit expenditures totaling \$11,700. We reviewed supporting documentation, such as time and attendance records, to determine if the positions paid with grant funds appeared reasonable within the stated intent of the program, was consistent with the OJP-approved budget, and if the salary and fringe benefit expenditures were adequately supported.

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<sup>3</sup> Based on Soboba's grant-related accounting records, we found that excluding accruals and reversals one grant-related transaction for less than five dollars was recorded between the grant end date of August 31, 2007, and the start of our audit in July 2011. No other transactions occurred during this time period.

We obtained a list of employees paid using grant funds from the Chief Financial Officer. We compared the list of personnel working on grant-related activity to the approved positions in the OJP-approved grant budget. We determined that the positions were within the intent of the program and were consistent with the approved budget. We reviewed Soboba's payroll records and supporting timecards and found that one timecard was not properly authorized. Additionally, we noted that Soboba did not maintain periodic certifications for two employees tasked solely to the grant. We discuss in detail each of these findings and related recommendations below.

According to the Cost Principles for State, Local, and Indian Tribal Governments, 2 C.F.R. 225, charges made to federal awards for salaries and wages must be based on payroll records maintained in accordance with the generally accepted practice of the organization and the charges must be approved by a responsible official. A Soboba official told us that Soboba's practice included requiring supervisory approval of employee time. While five of the six timecards we tested contained supervisory approval, one timecard lacked a supervisory signature. As a result, we questioned the \$2,170 associated with the unsupported timecard.

Furthermore, 2 C.F.R. 225 requires grantees to complete periodic certifications for its employees that are tasked solely to a single program and that these certifications need to be prepared at least semi-annually and validated by a direct supervisor with knowledge of the work being performed. During our review of payroll records, we found two employees tasked solely to the OJP grant. We reviewed the timecards for these employees and found that Soboba did not consistently identify the project to which the employees' time was allocated. Additionally the timecards did not confirm whether the employees worked solely on that program. As a result, we questioned \$330,556 in salary and associated fringe for the two employees as being inadequately supported because Soboba failed to maintain periodic certifications as required. Also, we recommend that OJP ensure that Soboba strengthens its internal controls related to payroll expenditures to make sure that such charges are adequately supported and are periodically certified, as required.

#### *Accountable Property*

According to the *OJP Financial Guide*, property acquired with grant funds should be used for the purposes stated in the grant application. Further, grant recipients must maintain records on the source of property items that were acquired using grant funds. Soboba had an accountable property policy that defined fixed assets as equipment with a value of \$1,000 or more and a useful life of 2 years or more. There were no transactions that included property purchases that met Soboba's fixed asset criteria stated above.

## Matching

28 C.F.R. Part 66 requires that costs and contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocability of regular personnel costs. Additionally, match amounts should not be: (1) counted towards other federal costs-sharing requirements, (2) financed by program income, or (3) borne by other federal grants (except as provided by federal statute). The full matching share of costs provided must be reported to OJP at the end of the grant period. If the matching share is not reported, OJP will assume the recipient did not meet the required match and will initiate collection of a cash match from the recipient.

According to the solicitation for the grant, Soboba was required to provide an in-kind match of 10 percent for the first \$197,725, 15 percent for the first continuation award of \$197,725, and 25 percent for the second continuation award of \$197,725. The solicitation provides that the match may be met by either cash or in-kind contributions. OJP determined that Soboba was required to provide \$122,770 of matching funds or in-kind contributions to meet the minimum match requirement.<sup>4</sup> Upon completion of the grant, OJP's Office of the Chief Financial Officer (OCFO) noted that Soboba's budgeted match amount of \$239,800 exceeded the minimum requirement of \$122,770 and should be reduced. OJP's OCFO then determined that the match requirement would be reduced to the \$184,694 of in-kind match reported by Soboba in its final FSR for the grant. We reviewed the adjustment by OJP's OCFO and accepted the \$184,694 amount, which exceeds the minimum requirement of \$122,770, as the final approved match requirement.

During our audit Soboba officials provided to us a narrative describing the amounts and types of match claimed. We also received documentation in support of the match from Indian Child Welfare Consortium (ICWC), which indicated it donated its services to Soboba and Soboba, in turn, counted these services as an in-kind match for the grant.<sup>5</sup> The documentation provided in support of the claimed in-kind match was insufficient to enable us to verify the expenditure and trace it to Soboba's official accounting records. The documentation provided also lacked the details necessary to confirm whether the expenditures claimed as supporting the in-kind match were: (1) counted towards other federal costs-

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<sup>4</sup> OJP calculated match requirements for this award by dividing the federal funds approved by the federal percentage, and multiplying the result by the match percentage required. For example, OJP calculated Soboba's first year match requirement of \$21,969 by dividing the \$197,725 award by the federal percentage (90 percent) and multiplying the result by the match requirement (10 percent).

<sup>5</sup> Indian Child Welfare Consortium also identifies itself as Indian Child and Family Services. The legal name identified on the organizations IRS form 990 is Indian Child Welfare Consortium. Therefore, to maintain consistency we refer to the organization by its legal name, Indian Child Welfare Consortium, throughout the report.

sharing requirements, (2) financed by program income, or (3) borne by other federal funds (with the exception of Bureau of Indian Affairs funds). Additionally, Soboba did not provide us with adequate information to allow us to verify the regular rate of pay and hours associated with labor (donated services) that it contributed to the grant. Therefore, we questioned the in-kind match of \$184,694 as being inadequately supported, and based on this finding, we do not consider Soboba to have met its match requirement.

## **Budget Management**

The *OJP Financial Guide* requires prior approval from the awarding agency if the movement of dollars between budget categories exceeds 10 percent of the total award amount if the total award amount is over \$100,000. Based on our review of the award package and grant solicitation, we determined that OJP Grant exceeded the \$100,000 threshold and was subject to the 10 percent rule. Our analysis of the budget as compared to actual expenditures found that there were no budget deviations that required OJP approval.

## **Reporting**

According to the *OJP Financial Guide*, award recipients are required to submit quarterly Financial Status Reports (FSR) and semi-annual Progress Reports. These reports describe the status of funds, compare actual accomplishments to the objectives of the grant, and report other pertinent information. We reviewed the FSRs and Progress Reports submitted by Soboba to determine whether each report was accurate and submitted in a timely manner. We found that Soboba submitted one FSR late and four FSRs were inaccurate. Also, Soboba did not submit all of its Progress Reports in a timely manner and some of the reports submitted contained errors. We discuss the results of our testing in more detail below.

### *Financial Status Reports*

According to the *OJP Financial Guide*, the quarterly FSRs are due no later than 45 days after the end of each quarter, with the final FSR due 120 days after the grant end date. We reviewed the four most recent FSRs that Soboba submitted to OJP for the grant to determine if Soboba submitted these reports on time. We found that Soboba submitted three reports in a timely manner and submitted one late by 311 days. A Soboba official stated that the late report was initially delayed by personnel who are no longer employed by Soboba and then further delayed by adjustments that Soboba made to its FY 2007 grant-related accounting records.

**EXHIBIT 2: FINANCIAL STATUS REPORT HISTORY  
GRANT 2003-VF-GX-0010**

REPORT No.	REPORTING PERIOD	REPORT DUE DATE	DATE SUBMITTED	DAYS LATE
14	10/01/06 - 12/31/06	02/14/07	01/18/07	0
15	01/01/07 - 03/31/07	05/15/07	04/12/07	0
16	04/01/07 - 06/30/07	08/14/07	07/16/07	0
17	07/01/07 - 09/30/07	12/29/07	11/04/08	311

Source: OIG analysis of FSRs

We also reviewed each FSR to determine whether they contained accurate financial information related to actual expenditures for the award. According to the *OJP Financial Guide*, award recipients must report program outlays and revenue on a cash or accrual basis in accordance with their accounting system. In our review of the four most recent FSRs submitted for the grant, we compared the FSRs to Soboba's grant accounting records. As a result, we found the four FSRs to be inaccurate. Exhibit 3 shows the discrepancies between the FSRs that Soboba submitted and its grant-related accounting records.

**EXHIBIT 3: ACCURACY OF SOBOBA'S FINANCIAL STATUS REPORTS  
GRANT 2003-VF-GX-0010**

REPORT No.	REPORTING PERIOD	EXPENDITURES REPORTED ON FSR	GRANT-RELATED EXPENDITURES	DIFFERENCE BETWEEN FSRs AND ACCOUNTING RECORDS
14	10/01/06 - 12/31/06	\$ 50,684	\$ 42,228	(\$ 8,456)
15	01/01/07 - 03/31/07	42,476	38,812	( 3,664)
16	04/01/07 - 06/30/07	41,183	35,741	( 5,442)
17	07/01/07 - 09/30/07	0	4,315	4,315

Source: OIG analysis of OVC data and Soboba's accounting records

Based on our review, we recommend that OJP ensure that Soboba submits accurate financial reports on time.

*Progress Reports*

According to *OJP Financial Guide*, Progress Reports are due semiannually for discretionary awards and annually for block or formula awards. Soboba was required to submit the Progress Reports semi-annually within 30 days of the end of the reporting period, with the final report due 120 days following the end of the award. We reviewed the most recent nine Progress Reports that Soboba submitted to OJP to determine if the reports were submitted on time. We also

reviewed the last full year of progress reports submitted to OJP for accuracy. We found that three of the nine Progress Reports reviewed were not submitted in a timely manner and all three reports reviewed for accuracy contained information which was either inaccurate or lacked sufficient support.

**EXHIBIT 4: PROGRESS REPORT HISTORY  
GRANT 2003-VF-GX-0010**

REPORT NO.	REPORTING PERIOD	REPORT DUE DATE	DATE SUBMITTED	DAYS LATE
1	07/01/03 - 12/31/03	01/30/04	02/23/04	24
2	01/01/04 - 06/30/04	07/30/04	07/22/04	0
3	07/01/04 - 12/31/04	01/30/05	01/04/05	0
4	01/01/05 - 06/30/05	07/30/05	07/19/05	0
5	07/01/05 - 12/31/05	01/30/06	12/28/05	0
6	01/01/06 - 06/30/06	07/30/06	12/19/06	142
7	07/01/06 - 12/31/06	01/30/07	07/18/07	169
8	01/01/07 - 06/30/07	07/30/07	07/18/07	0
9	07/01/07 - 08/31/07	12/29/07	09/02/07	0

Source: OIG data analysis of OVC data<sup>6</sup>

The *OJP Financial Guide* states that “the performance report will provide information on the effect the Federal funds have had on services to crime victims . . . and serve as a basis for information prepared for the Report to Congress on the Victims of Crime Act (VOCA).” Performance measures from the grant solicitation included: the number of victims served and type of victimization, the number of staff supported by Victim Assistance in Indian Country funds, the number of volunteer hours, the number of publications produced, the number of training workshops for law enforcement, the type of services provided, and progress on goals and objectives identified by the program.<sup>7</sup> We reviewed Soboba’s Progress Reports to determine if the reports accurately reflected grant activity and accomplishments. We found that three Progress Reports with periods ending June 30, 2006, through the period ending June 30, 2007, accurately reflected grant documentation with two exceptions. Specifically, we found that the values reported for Victims Served did not match the support documentation.

<sup>6</sup> OVC data showed that Soboba submitted the report late by 169 days, for the period ending 12/31/06, at the same time as the report submitted for the period ending 06/30/07.

<sup>7</sup> Victim Assistance in Indian Country is a discretionary grant program funded by OVC. Its primary goal is to create permanent, accessible, and responsive victim assistance services on Indian reservations with federally recognized tribes governed by Federal criminal justice jurisdiction.

We also found that volunteer hours reported were not supported by periodic certifications. However, we reviewed subsequent actions taken by Soboba and determined that Soboba had taken actions necessary actions to remedy this concern. Specifically, Soboba had developed new procedures that require submission of timely, accurate, and adequately supported Progress Reports.<sup>8</sup> Therefore, we no longer consider this to be a reportable condition.

### **Additional Award Requirements**

We reviewed Soboba's compliance with specific program requirements in the grant solicitation as well as special conditions included in its grant award documentation. We determined that Soboba generally complied with grant requirements and conditions.

### **Program Performance and Accomplishments**

According to the grant award documents, the purpose of the grant was to implement a 3-year program to improve Soboba's ability to provide services to victims of crimes. Specifically, the program would offer services including counseling, referrals, emergency services, court accompaniment, and assistance obtaining victim compensation. To accomplish these goals, the grant application stated for the first two award periods that Soboba will establish a "Family Resource Room" where services could be provided directly to victims where they live. According to the grant application, before Soboba received the award, Soboba did not provide such services to its population and neither were there other service providers who could provide such local services to the Tribe.

Soboba planned for program performance to be evaluated through the use of pre- and post-client assessment forms by a volunteer researcher with a Doctorate's degree in the area of educational psychology and statistics and research design. The grant application states that the grant would only fund activities eligible under Tribal Victims Assistance and Victims of Crime Assistance guidance as outlined in the solicitation to include: mental health assistance; advocacy on behalf of crime victims; training for law enforcement; assistance to victim's seeking crime compensation benefits; supervision as it directly relates to serving crime victims; and the preparation, publication, and distribution of materials which explain services offered to victims of crime. The grant narrative stated that grant activities, including maintenance of evaluation data, would be carried out by the project director and two full time employees described as "Family Allies".

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<sup>8</sup> U.S. Department of Justice Office of the Inspector General (OIG), Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Soboba Band of Luiseño Indians San Jacinto, California, Audit Report GR-90-13-006 (August 2013). This report contains a recommendation requiring that OVW ensure that Soboba develops procedures that require submission of timely, accurate, and adequately supported Progress Reports. As a result, Soboba developed the necessary procedures to address the deficiency, and in February 2014 the OIG closed the recommendation.

To evaluate program performance, we reviewed progress reports, service logs, case files containing assessment forms, and a self-assessment performed by a third party. Additionally, we interviewed the project director and the two full time employees funded by the grant. While we found evidence that publications were created, training for law enforcement was performed, and mental health and crime victim services were administered, we were unable to determine whether these services were provided in full to the appropriate population. We were also unable to conclude whether all services, claimed as provided, supported the grant objectives described in the application narrative. Specifically, we found that 60 percent of case files were incomplete as to the maintenance of forms that were identified in the grant application as necessary to evaluate the program results. Nine percent of files were found to contain forms associated with other federally funded grants, and the files did not consistently identify the tribal association of the client or whether the client was a victim of a crime.<sup>9</sup> Finally, we found that, while some group and individual services may have been provided on the Soboba reservation or at the home of a Soboba client, grant-funded personnel primarily worked from their homes or at the offices of Indian Child Welfare Consortium (ICWC) located in Temecula, California. The grant application stated that the program would provide services closer to where Soboba tribe members live and specifically identifies ICWC, which is located 31 miles from Soboba in Temecula, as a provider located at an objectionable distance from the reservation.

To obtain further clarification, we discussed each of our concerns with the project director. In regard to the completeness of the files, the project director stated that the missing information was due to staff members being inexperienced in maintaining documentation pertaining to grant performance. The project director believed that as staff members gained experience, file maintenance improved. However, we noted that the percentage of incomplete files was nearly uniform when we compared the first 71 files created to the last 71 files created.

With regard to forms relating to other grants being maintained in the Soboba client files, the Soboba project director confirmed that there was overlap between the OVC grant and other federally funded programs and clients may have received services from multiple programs. As discussed previously in our report, the two full time grant-funded employees tasked with providing these services indicated they worked on overlapping grant programs and stated that it was unclear in some cases which services were associated with the OVC grant as opposed to other grants. Therefore, we determined that time allocated to the Soboba grant by the two full time employees may have been commingled with work performed for other federally funded programs. Additionally, we asked the project director why services were not performed at the Soboba reservation as described in the first two

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<sup>9</sup> A total of 13 files contained forms pertaining to services provided under Department of Health and Human Services (HHS) award 90CA1732 entitled Cahuilla Tribal Family Resource Room (Resource Room). The HHS award funded the completion of tasks similar to, and in some cases identical to, the Soboba grant. These included but were not limited to, creation of a Resource Room on the Cahuilla reservation, group parenting skills sessions held at the Resource Room, and in-home parenting sessions.

grant applications. The project director stated that the grant services were not performed as agreed upon with OVC, and Soboba was unable to provide an appropriate workspace. Therefore, ICWC offered to provide office space to aid in fulfilling the in-kind match requirement.

Based on the project director's explanation and our review of relevant documentation, we concluded that records were insufficient to determine whether Soboba has made a reasonable effort to accomplish its stated grant objectives. Additionally, the records which do exist indicate that services may not have been performed solely for the benefit of the OJP award. Therefore, we question the entire amount that Soboba drew down on the grant (\$589,535) for lack of sufficient evidence that Soboba accomplished the grant objectives. We also recommend that OJP ensure that Soboba strengthen its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation.

### **Post End Date Activity**

The grant end date was August 31, 2007. We reviewed the post end date activity for the grant, including submission of the final progress and financial reports and found no reportable exceptions.

### **Conclusion**

Based on our audit, we determined that program performance records were insufficient to determine whether Soboba accomplished its grant objectives. Additionally, grant records indicate that Soboba commingled its services with other federally funded programs. Furthermore, we determined that the financial management system used by Soboba did not provide for adequate record keeping and reporting of grant-related activities related to its in-kind match. We also found payroll transactions which were not properly authorized, and that Soboba failed to maintain semi-annual certifications for its grant-funded personnel. Additionally, we found \$518,479 in grant-related expenditures that were inadequately supported including costs in categories such as payroll, travel, and matching. Also, one Financial Status Report was submitted late and four were found to be inaccurate. Also, three Progress Reports were submitted late and three contained information which was either inaccurate or lacked sufficient support.

## Recommendations

We recommend that OJP:

1. Make certain that Soboba establishes appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches.
2. Remedy \$589,535 in unsupported questioned costs associated with the following issues:
  - a. Remedy \$589,535 for Soboba's failure to maintain sufficient evidence related to its accomplishment of grant objectives.
  - b. Remedy \$330,556 for inadequately supported salary and fringe benefits for two full time employees.
  - c. Remedy \$2,170 for inadequately supported payroll expenditures.
  - d. Remedy \$1,059 in travel expenditures which lacked adequate support.
3. Ensure that Soboba strengthens its internal controls related to payroll expenditures to make sure that such charges are adequately supported and are periodically certified, as required
4. Remedy \$184,694 in questioned costs pertaining to inadequately supported in-kind match.
5. Ensure that Soboba submits accurate financial reports on time.
6. Ensure that Soboba strengthens its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation.

**OBJECTIVE, SCOPE, AND METHODOLOGY**

The purpose of our audit was to determine whether costs claimed under grant 2003-VF-GX-0010 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) program income; (4) expenditures including payroll, fringe benefits, indirect costs, and accountable property; (5) matching; (6) budget management; (7) monitoring of sub-recipients and contractors; (8) reporting; (9) award requirements; (10) program performance and accomplishments; and (11) post end date activity. We determined that, program income, indirect costs, and monitoring sub-recipients were not applicable to grant 2003-VF-GX-0010.

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.

Our audit scope included a review period for our audit that focused on, but was not limited to, the period beginning September 1, 2003, through the grant end date of August 31, 2007. This audit was completed after we concluded another audit of Soboba's Office on Violence Against Women (OVW) grant activities issued in August 2013.<sup>10</sup> That audit of Soboba's OVW grant identified \$102,396 in questioned costs, including \$102,396 related to Soboba's failure to complete OVW grant objectives before the grant end date.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the award documents, Code of Federal Regulations, and Office of Management and Budget (OMB) Circulars. We reviewed a judgmentally selected sample of transactions that were recorded in Soboba's grant related accounting records. In conducting our audit, we performed sample testing in three areas: grant expenditures; FSRs; and Progress Reports. We employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts or expenditure category.

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<sup>10</sup> OIG, *Audit of Office on Violence Against Women Grant Awarded to the Soboba Band of Luiseno Indians, San Jacinto, California.*

We did not test internal controls for Soboba taken as a whole or specifically for the grant program administered by Soboba. An independent Certified Public Accountant conducted an audit of Soboba's financial statements. The results of this audit were reported in the Single Audit Report that accompanied the Independent Auditors' Report for the year ending 2009. The Single Audit Report was prepared under the provisions of OMB Circular A-133. We reviewed the independent auditor's assessment to identify control weaknesses and significant noncompliance issues related to Soboba or the federal programs it was administering, and assessed the risks of those findings on our audit.

In addition, we assessed the grantee's monitoring of sub-recipients; reviewed the timeliness and accuracy of FSRs, and Progress Reports; and evaluated performance to grant objectives. However, we did not test the reliability of the financial management system as a whole, nor did we place reliance on computerized data or systems in determining whether the transactions we tested were allowable, supported, and in accordance with applicable laws, regulations, and guidelines. We also performed limited testing of information obtained from OJP's Grants Management System (GMS) and found no discrepancies. We thus have reasonable confidence in the GMS data for the purposes of our audit. However, the OIG has not performed tests of the GMS system specifically, and we therefore cannot definitively attest to the reliability of GMS data.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS:<sup>11</sup>

	<u>AMOUNT</u>	<u>PAGE</u>
<b>Unsupported Costs:</b>		
Unsupported Travel Expenditures	\$ 1,059	6
Unsupported Payroll	\$ 2,170	7
Unsupported Salary and Fringe Benefits	\$ 330,556	7
Unsupported Match Expenditures	\$ 184,694	9
Unsupported Costs for Performance Claims	\$ 589,535	14
<i>TOTAL QUESTIONED COSTS (GROSS):</i>	\$ 1,108,014	
<i>Less: Duplicative Questioned Costs<sup>12</sup></i>	(\$ 333,785)	
<b>NET QUESTIONED COST</b>	<b><u>\$ 774,229</u></b>	

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<sup>11</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

<sup>12</sup> Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount.

GRANTEE RESPONSE



**Soboba Band of Luiseño Indians**

P.O. BOX 487 • SAN JACINTO, CA 92581 • TELEPHONE (951) 654-2765

OFFICE OF TRIBAL COUNCIL

March 25, 2014

Jennifer Brookes  
C/o David J. Gaschke, Regional Audit Manager  
U.S. Department of Justice  
Office of the Inspector General  
San Francisco Regional Audit Office  
1200 Bayhill Drive, Suite 201  
San Bruno, CA 94066

Re: Response to Draft Audit Report Dated March 6, 2014 re: Audit of the Office Justice Programs (OJP), Tribal Victim Assistance Grant No. 2003-VF-GX-0010

Enclosed please find the Soboba Band of Luiseno Indians' (Soboba) response to the above referenced report recommendations. Each OIG recommendation has been stated with Soboba's response:

1. *Make certain that Soboba establishes appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches.*

Response: Concur.

Soboba has implemented practices which will ensure that accounting records reflect all grant related activity including in-kind matches.

2. *Remedy \$589,535 in unsupported costs associated with the following issues:*
  - a. *Remedy \$589,535 for Soboba's failure to maintain sufficient evidence related to its accomplishment of grant objectives.*
  - b. *Remedy \$330,556 for inadequately supported salary and fringe benefits for two full time employees.*
  - c. *Remedy \$2,170 for inadequately supported payroll expenditures.*
  - d. *Remedy \$1,059 in travel expenditures which lacked adequate support.*

Response: Do not concur. Soboba maintains that is has sufficiently documented the questioned costs stated above in 2a - d.

3. *Ensure that Soboba strengthens its internal controls related to payroll expenditures to make sure that such charges are adequately supported and are periodically certified, as required.*

Response: Concur.

Soboba has strengthened internal controls related to payroll expenditures to make certain that such charges are adequately supported and are periodically certified.

4. *Remedy \$184,694 in questioned costs pertaining to inadequately supported in-kind match.*

Response: Do not concur.

Soboba maintains that it adequately supported the in-kind match.

5. *Ensure that Soboba submits accurate financial reports on time.*

Response: Concur.

Soboba has implemented practices that ensure accurate financial reports, in addition to acquiring new software that assists in the filing of timely financial reports.

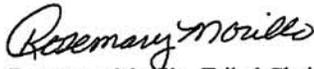
6. *Ensure that Soboba strengthen its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation.*

Response: Concur in part.

Soboba concurs it has the internal controls in place to ensure future grant objectives are accomplished and the capability to maintain related evidence and supporting documentation. However, the strengthening of internal controls is an ongoing process for any governmental or organizational entity and therefore Soboba will continue to evaluate its internal controls as a matter of practice.

Based on the responses above, Soboba has demonstrated reasonable completion of the grant deliverables for which it is responsible; therefore, no penalty is warranted with regard to this grant award.

Sincerely,



Rosemary Morillo, Tribal Chairwoman

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT  
AUDIT REPORT



U.S. Department of Justice

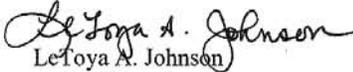
Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

APR 4 2014

MEMORANDUM TO: David J. Gaschke  
Regional Audit Manager  
San Francisco Regional Audit Office  
Office of the Inspector General

FROM:   
LeToya A. Johnson  
Acting Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Tribal Victim Assistance Grant Awarded to the Soboba Band of Luiseño Indians, San Jacinto, California*

This memorandum is in reference to your correspondence, dated March 6, 2014, transmitting the above-referenced draft audit report for the Soboba Band of Luiseño Indians (Soboba). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **six** recommendations and **\$774,229<sup>1</sup>** in net questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

- 1. We recommend that OJP make certain that Soboba establishes appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches.**

OJP agrees with the recommendation. We will coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that all grant-related activity, including in-kind matches, are reflected in their grant accounting records.

<sup>1</sup> Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

2. **We recommend that OJP remedy \$589,535 in unsupported questioned costs associated with the following issues:**
  - a. **Remedy \$589,535 for Soboba's failure to maintain sufficient evidence related to its accomplishment of grant objectives.**
  - b. **Remedy \$330,556 for inadequately supported salary and fringe benefits for two full time employees.**
  - c. **Remedy \$2,170 for inadequately supported payroll expenditures.**
  - d. **Remedy \$1,059 in travel expenditures which lacked adequate support.**

OJP agrees with the recommendation. We will coordinate with Soboba to remedy the questioned costs associated with insufficient evidence for grant accomplishments; and inadequate supporting documentation for salary, fringe benefits, and travel expenditures charged to grant number 2003-VF-GX-0010.

3. **We recommend that OJP ensure that Soboba strengthens its internal controls related to payroll expenditures to make sure that such charges are adequately supported and are periodically certified, as required.**

OJP agrees with the recommendation. We will coordinate with Soboba to obtain a copy of policies and procedures implemented to strengthen controls over payroll expenditures, to ensure that costs are adequately supported and periodically certified, as required.

4. **We recommend that OJP remedy \$184,694 in questioned costs pertaining to inadequately supported in-kind match.**

OJP agrees with the recommendation. We will coordinate with Soboba to remedy the \$184,694 in questioned costs, related to insufficiently supported matching expenditures.

5. **We recommend that OJP ensure that Soboba submits accurate financial reports on time.**

OJP agrees with the recommendation. We will coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that future Federal Financial Reports are accurately prepared and timely submitted to the Department of Justice.

6. **We recommend that OJP ensure that Soboba strengthen its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation.**

OJP agrees with the recommendation. We will coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that documentation supporting the accomplishment of goals and objectives is maintained for future grants.

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

Joye E. Frost  
Director  
Office for Victims of Crime

Marilyn Roberts  
Deputy Director  
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Internal Review and Evaluation Office  
Justice Management Division

OJP Executive Secretariat  
Control Number IT20140310100839

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

The OIG provided a draft of this audit report to Soboba and OJP. Soboba's and OJP's responses are incorporated in appendices III and IV of this report, respectively. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

**Recommendation Number:**

- 1. Resolved.** OJP and Soboba concurred with our recommendation that Soboba establishes appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches. OJP stated in its response that it will coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that all grant-related activity, including in-kind matches, are reflected in their grant accounting records. Soboba stated that it has implemented practices that will ensure its accounting records reflect all grant-related activity including in-kind matches.

This recommendation can be closed when we receive evidence that Soboba has established appropriate internal controls that ensure Soboba's grant accounting records reflect all grant-related activity, including in-kind matches.

- 2. Resolved.** OJP concurred with our recommendation to remedy \$589,535 in unsupported costs associated with Soboba's failure to maintain sufficient evidence related to: its accomplishment of grant objectives (\$589,535), salary and fringe benefits for two full time employees (\$330,556), payroll expenditures (\$2,170), and travel expenditures (\$1,059).<sup>13</sup> OJP stated in its response that it will coordinate with Soboba to remedy the questioned costs listed above.

In its response, Soboba stated that it did not concur with our recommendation and that it has sufficiently documented the questioned costs listed above. In our report, we stated that the program performance records we reviewed were incomplete and commingled with other federal grant records. Specifically, we found that 60 percent of case files were incomplete as to the maintenance of forms that were identified in the grant application as necessary to evaluate the program results. Nine percent of files were

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<sup>13</sup> Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount.

found to contain forms associated with other federally funded grants, and the files did not consistently identify the tribal association of the client or whether the client was a victim of a crime. Furthermore, we found that grant-funded personnel primarily worked from their homes or at the offices of Indian Child Welfare Consortium (ICWC). Conversely, the grant application stated that the program would provide services closer to where Soboba tribe members live and specifically identifies ICWC, which is located 31 miles from Soboba in Temecula, California as a provider located at an objectionable distance from the reservation. This information was insufficient for us to determine whether Soboba accomplished its grant objectives. Therefore, we questioned the entire amount that Soboba drew down on the grant (\$589,535).

For the \$330,556 in questioned costs, we found that Soboba did not maintain periodic certifications for its employees that are tasked solely to a single program as required by 2 C.F.R. 225 Cost Principles for State, Local, and Indian Tribal Governments. As a result, we questioned \$330,556 in salary and associated fringe for the two employees for which periodic certifications were not maintained.

For the \$2,170 in questioned costs, we identified one timecard which lacked a supervisory signature. Soboba's policy requires all timecards to be signed by a supervisor. As a result we questioned the \$2,170 associated with the unsupported timecard.

Finally, for the \$1,059 in questioned costs, we found that Soboba charged to the grant airfare that lacked authorization and was inadequately supported. According to the Uniform Administrative Requirements for State and Local Governments, C.F.R. Title 28 Part 66, accounting records must be supported by such source documentation as cancelled checks, paid bills, payroll records, time and attendance records, and contract and sub-grant award documents. As a result, we questioned \$1,059 in travel expenses.

This recommendation can be closed when we receive evidence that Soboba has remedied the \$589,535 in unsupported costs associated with these issues.

- 3. Resolved.** OJP and Soboba concurred with our recommendation to ensure that Soboba strengthens its internal controls related to payroll expenditures to make sure that such charges are adequately supported and are periodically certified, as required. OJP stated in its response that it would coordinate with Soboba to obtain a copy of policies and procedures implemented to strengthen controls over payroll expenditures. Soboba advised that it has strengthened internal controls related to payroll expenditures to make certain that such charges are adequately supported and are periodically certified.

This recommendation can be closed when we receive evidence that Soboba has strengthened its internal controls related to payroll expenditures to ensure that such charges are adequately supported and are periodically certified, as required.

4. **Resolved.** OJP concurred with our recommendation to remedy \$184,694 in questioned costs pertaining to inadequately supported in-kind match. OJP stated in its response that it would coordinate with Soboba to remedy the questioned costs. In its response, Soboba stated that it did not concur with our recommendation and that it adequately supported the in-kind match.

In our report, we noted that 28 C.F.R. Part 66 requires that costs and contributions counting towards satisfying a cost sharing or matching requirement be verifiable from the records of grantees and subgrantee or cost type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocability of regular personnel costs. Additionally, match amounts should not be: (1) counted towards other federal costs-sharing requirements, (2) financed by program income, or (3) borne by other federal grants (except as provided by federal statute).

Based on our review of the documentation that Soboba provided in support of the in-kind match, we found it to be insufficient to enable us to verify the expenditure and trace it to Soboba's official accounting records. Specifically, the documentation lacked the necessary detail to confirm whether the expenditures claimed as supporting the in-kind match were: (1) counted towards other federal costs-sharing requirements, (2) financed by program income, or (3) borne by other federal funds (with the exception of Bureau of Indian Affairs funds). Additionally, Soboba did not provide us with adequate information to allow us to verify the regular rate of pay and hours associated with labor (donated services) that it contributed to the grant. Therefore, we questioned the in-kind match of \$184,694 as being inadequately supported, and based on this finding, we do not consider Soboba to have met its match requirement.

This recommendation can be closed when we receive, evidence that Soboba has remedied the \$184,694 in questioned costs pertaining to the inadequately supported in-kind match.

5. **Resolved.** OJP and Soboba concurred with our recommendation to ensure that Soboba submits accurate financial reports on time. OJP stated in its response that it would coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that future financial reports are accurately prepared and timely submitted to the Department of Justice. Soboba stated in its response that it has implemented practices that

ensure accurate financial reports and has acquired new software which assists in the timely filing of financial reports.

This recommendation can be closed when we receive evidence that Soboba has implemented practices to ensure that Soboba submits accurate financial reports on time.

- 6. Resolved.** OJP concurred with our recommendation to ensure that Soboba strengthens its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation. OJP stated in its response that it would coordinate with Soboba to obtain a copy of policies and procedures developed and implemented to ensure that documentation supporting the accomplishment of goals and objectives is maintained for future grants. In its response, Soboba stated that it partially concurred with our recommendation, specifically as it pertains to establishing internal controls to ensure that future grant objectives are accomplished and that related evidence and supporting documentation is maintained. However, Soboba stated that the strengthening of internal controls is an on-going process for any governmental or organizational entity and therefore, it will continue to evaluate its internal controls as a matter of practice.

According to our audit, Soboba did not maintain sufficient documentation to support the achievement of grant objectives. Soboba planned for program performance to be evaluated through the use of pre- and post-client assessment forms by a volunteer researcher with a Doctorate's degree in the area of educational psychology and statistics and research design. In our report, we stated that the program performance records we reviewed were incomplete and commingled with other federal grant records. Specifically, we found that 60 percent of case files were incomplete as to the maintenance of forms that were identified in the grant application as necessary to evaluate the program results. Nine percent of files were found to contain forms associated with other federally funded grants, and the files did not consistently identify the tribal association of the client or whether the client was a victim of a crime.

To obtain further clarification, we discussed each of our concerns with the project director. The project director stated that the missing information was due to staff members being inexperienced in maintaining documentation pertaining to grant performance. The project director believed that as staff members gained experience, file maintenance improved. However, we noted that the percentage of incomplete files was nearly uniform when we compared the first 71 files created to the last 71 files created.

Furthermore, we found that grant-funded personnel primarily worked from their homes or at the offices of ICWC. Conversely, the grant application stated that the program would provide services closer to where Soboba tribe

members live and specifically identifies ICWC, which is located 31 miles from Soboba in Temecula, California as a provider located at an objectionable distance from the reservation.

Finally, the two full time grant-funded employees tasked with providing these services indicated they worked on overlapping grant programs at another tribe and stated that it was unclear in some cases which services were associated with the OVC grant as opposed to other grants. While the employees were performing both jobs, they commingled information from the other tribes' records in amongst Soboba's records making it that much more difficult for us to determine if Soboba had achieved their grant objectives.

Overall, this information contained in these case files was insufficient for us to determine whether Soboba accomplished its grant objectives.

This recommendation can be closed when we receive, evidence that Soboba has strengthened its internal controls to make certain that objectives on future grants are accomplished and that it has the capability to maintain related evidence and supporting documentation.