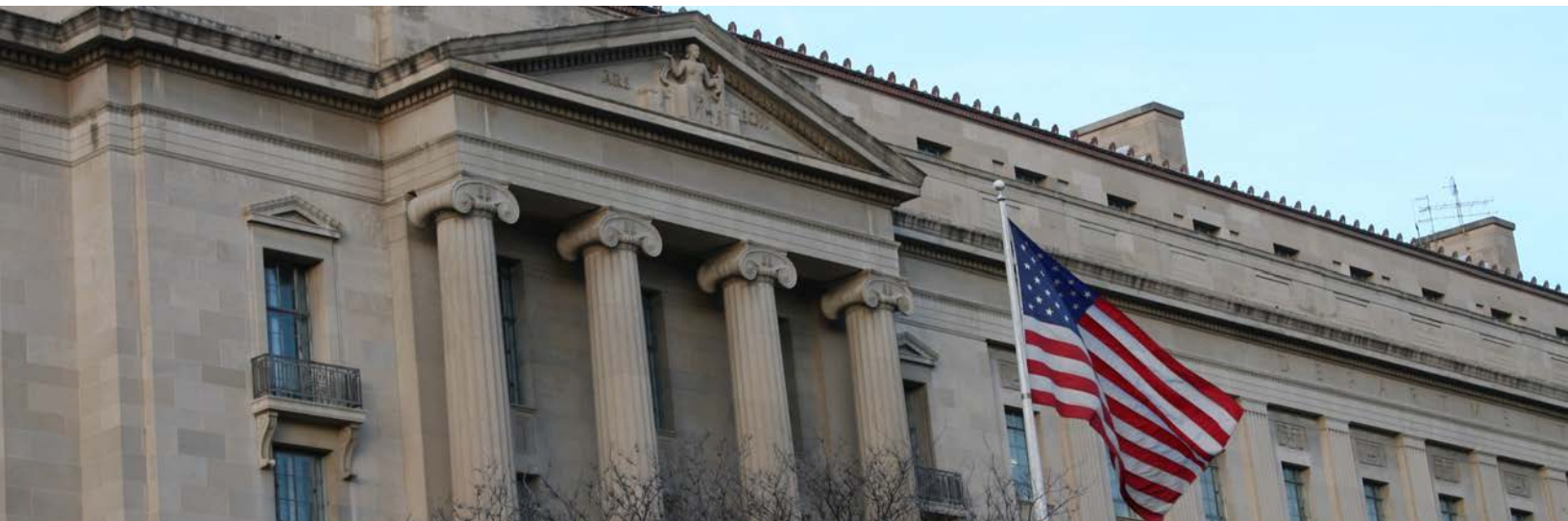




Office of the Inspector General U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office on Violence Against Women Grant Awarded to Life Span, Chicago, Illinois

REDACTED FOR PUBLIC RELEASE

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

Audit Division 20-022

January 2020



Executive Summary

Audit of the Office on Violence Against Women Grant Awarded to Life Span, Chicago, Illinois

Objectives

The Department of Justice (DOJ) Office on Violence Against Women (OVW) awarded Life Span a grant totaling \$600,000 for the Legal Assistance to Victims (LAV) program. 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 the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that Life Span is working to achieve the goals and objectives of the OVW award, but must enhance its process to adequately track and report its performance. We also identified areas of improvement in Life Span's financial management structure and compliance with grant requirements. For instance, Life Span's policies did not incorporate details for certain grant-related procedures, such as completing the Federal Financial Reports (FFRs), and did not designate back-up personnel to perform essential tasks. In addition, we determined that Life Span's drawdown procedures resulted in advancing \$5,150 in grant funds that were not expended within the required timeframe. We also identified that Life Span charged the grant for \$4,221 in unallowable costs associated with expenses related to personnel and fringe benefits.

Recommendations

Our report contains seven recommendations to the OVW. We requested a response to our draft audit report from the OVW and Life Span, and their responses are appended to this final report 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 provide legal services to victims of domestic and sexual violence in Cook County, Illinois. The project period for the grant was from October 2017 through September 2020. As of March 31, 2019, Life Span drew down a cumulative amount of \$254,209 for the grant.

Program Goals and Accomplishments – Life Span demonstrated progress toward completing award goals and objectives. However, we identified concerns with the process Life Span used to track performance metrics. Specifically, the support used for Life Span's July 1, 2018, through December 31, 2018, progress report did not account for staffing changes and their associated effect on tracking performance metrics, which impacted our ability to reconcile and verify the information.

Grant Financial Management - We found that although the Deputy Executive Director performed many grant-related tasks, Life Span's policies and procedures did not provide adequate details or designate back-up personnel for completing these requirements.

Grant Expenditures - We found that Life Span charged \$3,446 in unallowable costs associated with changes in personnel expenses that were not approved by the OVW, as well as \$775 in fringe benefits that were not included in the OVW-approved budget.

Drawdowns - As of January 9, 2019, Life Span had drawn down a total of \$254,209 in award funds. Life Span's total expenses at that time totaled \$249,059, which resulted in Life Span receiving \$5,150 in advanced grant funds. Life Span officials attributed this advance to the misallocation of an expense, which was not identified until after the drawdown occurred.

Federal Financial Reports - Life Span submitted six FFRs during our review period, but did not accurately report its grant expenses for any given reporting period. In addition, three of six FFRs erroneously duplicated expenses, which resulted in Life Span submitting inaccurate information to the OVW.

**AUDIT OF THE
OFFICE ON VIOLENCE AGAINST WOMEN GRANT
AWARDED TO LIFE SPAN,
CHICAGO, ILLINOIS**

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**AUDIT OF THE
OFFICE ON VIOLENCE AGAINST WOMEN GRANT
AWARDED TO LIFE SPAN,
CHICAGO, ILLINOIS**

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 (OVW), Legal Assistance for Victims (LAV) Program, to Life Span in Chicago, Illinois. Life Span was awarded one grant totaling \$600,000, as shown in Table 1.

**Table 1
Grant Awarded to Life Span**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2017-WL-AX-0035	OVW	9/22/2017	10/1/2017	9/30/2020	\$600,000
Total:					\$600,000

Source: OJP's Grants Management System

According to the OVW, funding through the LAV Program is intended to increase the availability of civil and criminal legal assistance programs for adult and youth victims of domestic violence, dating violence, sexual assault, and stalking who are seeking relief in legal matters relating to or arising out of that abuse or violence.

The Grantee

Founded in 1978, Life Span provides services for women and children who are victims of domestic and sexual violence, including legal services, advocacy, and counseling. Life Span's mission is to empower survivors of domestic and sexual violence to demand safety as a human right through client-centered services and lead social change through accountability, community engagement, and systemic advocacy.

OIG Audit Approach

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

We tested compliance with what we consider to be the most important conditions of the 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, grant documentation, and interviewed grantee officials to determine whether Life Span demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the progress reports to determine if the required reports were accurate. Finally, we reviewed Life Span's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The OVW awarded the LAV Grant Number 2017-WL-AX-0035 to Life Span to provide legal services to victims of domestic and sexual violence in Cook County, Illinois. Through this grant, Life Span set out to achieve the following goals:

- (1) provide victims of domestic and sexual violence a permanent civil legal resolution to critical issues and strengthen Life Span's ability to provide these services;
- (2) increase the safety and crisis planning of victims of domestic and sexual violence seeking civil legal assistance at Life Span, including respondents;
- (3) provide a response for victims of domestic violence who are wrongly sued as respondents in order of protection cases;
- (4) ensure that the proposed project is fully integrated into Life Span, and that services remain victim-oriented, sensitive, safe, and complementary to other services offered by Life Span and other domestic violence and sexual assault agencies; and
- (5) increase knowledge and understanding of domestic violence services through the sharing of expertise gained from project implementation.

These goals are ongoing and require Life Span staff to provide a multitude of services and assistance to victims. We found that Life Span was making progress in achieving these goals as reflected by key activities that include, but are not limited to, screening applicants to provide appropriate services, informing clients of their rights, assisting clients in developing safety and crisis readiness plans, and handling all legal matters for clients until litigation is complete.

Required Performance Reports

According to the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in progress reports, we selected a sample of 10 performance measures from the 2 most recent progress reports submitted to the OVW and attempted to trace the information reported for these measures to supporting documentation maintained by Life Span. We found that Life Span's January 1, 2018, through June 30, 2018, progress report was supported. However,

the support used for Life Span's subsequent progress report for the period July 1, 2018, through December 31, 2018, did not account for changes in tracking performance metrics resulting from staffing changes, which impacted our ability to reconcile and verify the information.

For this grant, Life Span tracked its activity related to the established performance metrics using data related to work performed by its grant-funded staff members. On September 1, 2018, Life Span replaced a staff attorney who worked solely on the grant with a supervisory attorney who worked part-time on the grant. However, when Life Span compiled its performance metrics for the progress report for this time period, it did not adjust its tracking methodology to properly account for the staffing changes associated with the grant. In reporting its performance for the second half of the 2018 calendar year, Life Span excluded the original staff attorney's statistics in total, even though that individual was funded by the grant and contributing to grant-funded accomplishments for the period between July 1, 2018, and August 31, 2018. In turn, Life Span included the replacement supervisory attorney's statistics for the entire reporting period rather than excluding services provided prior to September 1, 2018. In addition, Life Span's documentation did not specifically identify or isolate the grant-funded work of this attorney because it did not delineate the work that this attorney did for the OVW grant separate from other Life Span programs. As a result, we could not verify with certainty that the metrics reported during this reporting period accurately reflected the OVW grant performance. We discussed these concerns with Life Span officials and they agreed that the methodology used to compile the statistics associated with the progress report could have resulted in reporting imprecise results.

In addition, we found that Life Span does not have formalized policies and procedures for tracking performance measures and submitting progress reports to the OVW. Life Span officials explained that the process for compiling data and submitting the progress reports to the OVW is informal, includes multiple staff members, and requires approval from the Executive Director. Historically, Life Span relied on a web-based system to standardize its data collection and fulfill its reporting requirements. In August 2018, Life Span acquired a new internal case management system, which allowed Life Span to streamline its data management and reporting practices for the OVW's progress reports. A Life Span official stated that Life Span currently utilizes a hybrid approach to answering progress report questions, using information from both the web-based system and its new internal system, as well as case information from the three funded staff members. However, as reflected in our review, Life Span did not adjust this methodology when staffing changes occurred, which ultimately affected the accuracy of its progress report to the OVW for the LAV grant. In addition, because Life Span uses a multi-pronged approach, we believe that lack of formalized procedures increases the risk that Life Span is not adequately tracking its grant activities against stated goals and objectives. As a result, we recommend that the OVW ensure that Life Span formalizes and enhances its performance data collection and reporting methodology to ensure that progress reports are accurate and supported and that it is adequately tracking data related to the intended goals and objectives of the grant.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the award. We evaluated the special conditions for the grant and selected a judgmental sample of the requirements that are significant to performance under the grant and are not addressed in another section of this report. We evaluated three special conditions: (1) registration with the federal System for Award Management (SAM), (2) participation in OVW technical assistance training, and (3) submission of case selection criteria for grant-funded services to the OVW within 90 days of award acceptance. We found that Life Span generally fulfilled these special conditions. However, Life Span missed its case selection criteria submission deadline by 19 days. Life Span ultimately complied with this special condition and its case selection criteria was approved by the OVW; therefore the OVW did not initiate a hold on the availability of funds. Because Life Span rectified the problem and the OVW approved it, we do not make a recommendation.

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 Life Span's financial management of the grant covered by this audit, we interviewed financial staff, examined policies and procedures, and inspected grant documents to determine whether Life Span adequately safeguards the grant funds we audited. We also reviewed Life Span's Single Audit Reports for fiscal years (FY) 2016 through 2018 to determine if there were 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.

Our review of the Single Audit Reports did not reveal significant deficiencies or material weaknesses related to grant administration, and we found that Life Span implemented formalized financial management procedures that accounted for grant funds. However, we identified certain weaknesses in Life Span's financial management. During the audit, we learned that Life Span's Deputy Executive Director completed many of the grant's approval and reporting activities. While it was acceptable that this individual performed these tasks, there were no documented procedures detailing certain tasks, to include grant reporting, budget development, and financial allocation planning. There was also not a formally designated back-up individual to perform these tasks in the Deputy Executive Director's absence. If this individual were to leave the organization, this grant management knowledge would be lost and Life Span could experience difficulty in accurately completing grant-related activities. Therefore, we recommend that the OVW work with Life Span to ensure Life Span has implemented and disseminated new policies and procedures documenting all grant-related responsibilities, including those performed by the Deputy Executive Director, and designated a back-up individual for this individual's tasks.

Additionally, our review of grant expenditures identified unallowable costs charged to the grant, and we found deficiencies in Life Span's processes for drawing down grant funds and completing FFRs. These issues are discussed in further detail in the following sections of this report.

Budget Management and Control

According to the DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We found that Life Span's policies and procedures include a process to compare expenditures to budget amounts. In addition, when we compared grant expenditures to the approved budgeted amounts, we determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Grant Expenditures

For Life Span's LAV grant, the approved budget included salaries, fringe benefits, travel, contractual (translation services), and other (rent). The following table provides an overview of Life Span's budgeted and actual expenditures by category.

Table 2
OVW-Approved Budget and Life Span Expenses
as of March 2019

Budget Category	OVW Approved Budget	Life Span Expenses
Salaries	\$445,850	\$232,593
Fringe	\$98,684	\$46,661
Travel	\$6,300	\$2,845
Contractual	\$750	\$0
Other	\$48,416	\$14,897
Total	\$600,000	\$296,996

Source: OJP's Grants Management System and Life Span's Accounting Records

To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a judgmental sample of transactions. This sample included 27 transactions totaling \$67,362 and covered all budget categories associated with Life Span's expenses at the time of our fieldwork. We reviewed documentation and accounting records, and we performed verification testing related to these grant expenditures. Based on

this testing, we recommend that the OVW remedy \$4,221 in questioned costs, as described in the following sections.

Salary Costs

Life Span stated in its budget narrative that the project would cover the salaries and fringe benefits for three full-time (40 hours per week) staff members. During our review of Life Span's payroll documentation, we found that in May 2018, Life Span management allowed a staff attorney to reduce their schedule to 32 hours per week, but did not change this attorney's salary amount. Because this attorney was no longer working the full-time schedule that the OVW approved, we believe that Life Span should have submitted a GAN and received approval from the OVW for this change. We reviewed the payroll expenses for this attorney and determined that Life Span charged the grant \$17,232 for the attorney's salary between May 1, 2018, and August 31, 2018. Because this attorney worked 20 percent less time on the grant, we found that \$3,446 of these costs were unallowable. We recommend that the OVW work with Life Span to remedy \$3,446 in unallowable salary expenses.

In addition, this attorney who was working 32 hours per week was the individual who was replaced with another attorney in September 2018.¹ Life Span notified the OVW of this change through a GAN, and stated that the new attorney's salary would remain the same as the previous attorney's salary. However, Life Span did not inform the OVW that the new attorney would also not work full-time on the grant. Specifically, we found that the new attorney was a supervisor for Life Span and had a higher salary than the previous attorney, so Life Span used the OVW grant, as well as funding from other sources to pay for this supervisory attorney's salary. Consequently, this attorney was not devoting 40 hours per week to the OVW grant. According to Life Span documentation, it was determined that the OVW grant would cover 55 percent of this attorney's salary, because this amount equated to salary costs that the OVW approved in the budget. We reviewed a sample of the attorney's timesheets and found that although the time spent on OVW grant activities fluctuated, this attorney generally met or exceeded the 55 percent of time allocated to the grant. However, we believe that when Life Span submitted the GAN for the change in personnel, it should have incorporated information about the change in time and effort, so that the OVW could review and, if appropriate, approve the arrangement. We do not question any costs associated with the personnel expenses for this attorney because the attorney's work was supported by adequate documentation and Life Span had notified the OVW of the personnel change, but recommend that the OVW work with Life Span to ensure that the change in time and effort and cost allocation methodology associated with the senior attorney assigned to the LAV grant is appropriate and acceptable.

¹ This staff change was first discussed in the *Required Performance Reports* section of this report.

Other Personnel Costs

During our review of Life Span's general ledger, we identified \$775 in an expense related to an attorney's pension. However, Life Span's OVW-approved budget did not include pension costs. Therefore, we recommend that the OVW work with Life Span to remedy \$775 in unapproved fringe benefits. We spoke with a senior Life Span official about these questioned costs and this individual acknowledged the need to coordinate with the OVW on these issues.

Rent

Life Span's original budget estimated a total of \$48,416 in rent expenses for office space for the 3-year period of the grant. At the time of the application in February 2017, this estimate was calculated based on the total rent cost of \$94,935 annually, with 3 funded staff members accounting for 17 percent of Life Span's total 18 staff members. This methodology was approved by the OVW. In January 2018, Life Span moved offices to account for an increase in staff members and a need for larger space. Life Span submitted a GAN to notify the OVW of a change in mailing address but did not explain that Life Span's new office location was larger and required a new rent allocation estimate for the grant to account for the increased rent cost. Specifically, when Life Span moved its office space, its rent almost doubled to \$172,250 annually, and its staff increased from 18 to 23 individuals.

When we reviewed Life Span's grant expenditures, we found that Life Span had expended \$14,897 in grant funds on rent as of March 2019. This amount is within the budgeted amount, but we believe that Life Span should submit a GAN to the OVW that accounts for the new rental allocation methodology to ensure that the grant is not overcharged for these expenses. Consequently, we recommend that the OVW work with Life Span to ensure that its rent allocation costs are appropriate, allowable, and supported.

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.

According to Life Span's financial procedures, funding reimbursement requests shall only be made after Life Span has incurred an expenditure that represents allowable costs. These procedures also specify that drawdowns are based on immediate reimbursement requirements to ensure that federal cash on hand is the minimum needed, either immediately or within 10 days. Drawdown requests are developed by accounting staff who prepare a voucher containing only eligible expenditures that are reconciled with the general ledger. The Executive Director reviews the voucher and indicates approval by signing and dating the voucher, which is then used to seek reimbursement from the OVW.

To assess whether Life Span managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed by the OVW to the total expenditures in Life Span's accounting records. As of March 31, 2019, Life Span had drawn down a total of \$254,209 in award funds. Life Span's last drawdown during this time period occurred on January 9, 2019, and Life Span's total recorded expenses at that time were \$249,059, which resulted in Life Span receiving \$5,150 in advanced grant funds. Life Span did not expend this amount within 10 days of the drawdown, as required. As a result, we are questioning the \$5,150 in advanced drawdowns as unallowable, and are recommending that the OVW work with Life Span to resolve these questioned costs. We discussed this drawdown advance with a senior Life Span official who stated this occurred because of a misallocation of expenses in Life Span's accounting system. Life Span identified this misallocation during its monthly expense reconciliation process, which occurred after Life Span drew down the funds from the OVW. This official stated that Life Span will work to ensure future drawdowns are accurate. However, we recommend that Life Span enhance its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether Life Span submitted accurate FFRs, we compared the six most recent reports to Life Span's accounting records.

We found that as of March 2019, the aggregate amount identified on the FFRs matched Life Span's accounting records. However, Life Span never accurately reported its grant expenses for any given reporting period, as shown in the following table.

Table 3
Federal Financial Reports

Reporting Period	Expenditures Reported on FFR	Expenditures Recorded in Accounting Records	Difference
10/01/2017 – 12/31/2017	\$47,499	\$48,696	\$1,197
01/01/2018 – 03/31/2018	\$45,366	\$46,465	\$1,099
04/01/2018 – 06/30/2018	\$50,166	\$49,904	(\$262)
07/01/2018 – 09/30/2018	\$52,026	\$51,537	(\$489)
10/01/2018 – 12/31/2018	\$51,292	\$50,503	(\$789)
01/01/2019 – 03/31/2019	\$50,647	\$49,891	(\$756)
Total:	\$296,996	\$296,996	\$0

Source: OJP's Grants Management System

We also found that the three most recent FFRs submitted by Life Span erroneously included duplicate expenses in two different categories, which resulted in Life Span submitting inaccurate figures for its unobligated balance.

When we spoke with the Life Span official who submitted the FFRs, this official stated that there was confusion about the categories required on the FFRs, but that Life Span would update its process and ensure that the information submitted was correct. We believe that this discrepancy was also the result of Life Span not having written policies and procedures for preparing and submitting FFRs. Therefore, we recommend that the OVW work with Life Span to enhance its policies and procedures for preparing and submitting FFRs.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit, we conclude that Life Span did not adhere to all of the grant requirements we tested, but demonstrated that it was making progress towards achieving the grant's stated goals and objectives. We also did not identify significant issues regarding Life Span's adherence to grant special conditions. However, we found that Life Span did not consistently support or accurately report performance measurements, which could have resulted from an imprecise data management and reporting methodology. We also found that Life Span charged the grant for unallowable costs associated with salaries and fringe benefits, and that Life Span did not ensure that the OVW was aware of all personnel and rent allocation changes that have occurred. In addition, we found that Life Span could improve its processes for conducting drawdowns and reporting its information through FFRs. We provide seven recommendations to the OVW to address these deficiencies.

We recommend that the OVW:

1. Verify that Life Span enhances its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.
2. Ensure Life Span has implemented and disseminated new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.
3. Ensure that Life Span's changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.
4. Remedy \$9,371 in unallowable costs, specifically:
 - a. \$3,446 in unapproved costs associated with salary expenses;
 - b. \$775 in pension-related fringe benefits not approved by the OVW; and
 - c. \$5,150 in unallowable advanced drawdowns.
5. Coordinate with Life Span to ensure that its rent allocation costs are appropriate, allowable, and supported.
6. Ensure that Life Span enhances its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.
7. Ensure that Life Span enhances its policies and procedures for preparing and submitting FFRs.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

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

This was an audit of an Office on Violence Against Women (OVW) grant awarded to Life Span under the Legal Assistance for Victims (LAV) Program. The OVW awarded \$600,000 through Grant Number 2017-WL-AX-0035 to Life Span. Our audit concentrated on, but was not limited to October 1, 2017, the award start date, through March 31, 2019. As of March 31, 2019, Life Span had drawn down \$254,209 of the total grant funds awarded.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of Life Span's activities related to the audited grant. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the 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, as well as Life Span's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Unapproved Personnel Expenses	\$3,446	7
Unapproved Pension Costs	775	8
Advanced Grant Funds	<u>5,150</u>	9
Unallowable Costs	\$9,371	
Total Questioned Costs	\$9,371	

LIFE SPAN'S RESPONSE TO THE DRAFT AUDIT REPORT



70 E. Lake Street, Suite 600
Chicago, IL 60601
Tel: (312) 408-1210
Fax: (312) 408-1223
www.life-span.org

December 18, 2019

Carol S. Taraszka
Regional Audit Manager
U.S. Department of Justice
Office of the Inspector General
500 West Madison Street, Suite 1121
Chicago, Illinois 60661-2590

Dear Ms. Taraszka:

Life Span is in receipt of the draft audit report issued by the U.S. Department of Justice, Office of the Inspector General (DOJ OIG) Audit Division on November 20, 2019. This audit relates to Life Span's Violence Against Women, Legal Assistance for Victims Program Grant Award, 2017 WL AX 0035.

The DOJ OIG recommendations made within the report and Life Span's responses to the recommendations are as follows:

1. Verify that Life Span enhances its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.

Response: Life Span concurs with this recommendation and affirmatively states that prior to the audit, Life Span had purchased a new data management system, LegalServer, to enhance our data collection and reporting abilities.

2. Ensure Life Span has implemented and disseminated new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.

Response: Life Span concurs with this recommendation.

3. Ensure that Life Span's changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.

Response: Life Span concurs with this recommendation and affirmatively states that prior to the issuance of the draft audit report, on October 28, 2019, Life Span submitted a GAN addressing the time and effort and cost allocation methodology associated with the staff changes. The GAN states in relevant part as follows, Life Span names redacted and replaced with job title:

December 5, 2018 GAN Clarification: On November 9, 2018, we notified our grant specialist, [REDACTED] of a staff change on the funded project and inquired if a GAN was necessary. On November 23, 2018, [REDACTED] instructed Life Span to submit a GAN "with the changes in staff" along with the new staff person's resume. On December 5, 2018, Life Span submitted a GAN to advise OVW that one of the funded staff attorneys, [REDACTED] was no longer assigned to the funded project as of September 1, 2018. We requested permission to fund [REDACTED] as the replacement attorney. We submitted [REDACTED] resume.

Since that time, we have been instructed by [REDACTED] Program Analyst, Office of the Inspector General, U.S. Department of Justice, that our GAN should have included additional information. With this knowledge we are providing the following clarification:

- *[REDACTED] is not fully funded by our OVW grant. [REDACTED] is now Life Span's Legal Director and earns, \$84,240 per year. The original budget for that position was \$53,309 per year. OVW funds support 65% of [REDACTED] salary and funds [REDACTED] provision of direct services consistent with those described in our program narrative.*
- *Given [REDACTED] level of experience, [REDACTED] service levels are consistent with those originally projected for the staff attorney in our program narrative.*

4. Remedy \$9,371 in unallowable costs, specifically:
 - a. \$3,446 in unapproved costs associated with salary expenses;

Response: Life Span concurs with this recommendation and affirmatively states that on October 28, 2019, Life Span submitted a GAN to address the costs associated with this salary expenses and request that they be allowed. The GAN states in relevant part as follows:

Retroactive GAN requests as a result of our OIG audit: Starting May 18, 2018, [REDACTED] one of the funded staff attorneys, reduced [REDACTED] hours from 40 hours per week to 32 hours per week. While this is still considered full-time employment at Life Span, it was not consistent with our budget narrative in which we stated the staff attorney would work "full-time (minimum of 40 hours/week)." At this time, [REDACTED] was promoted to a Senior Attorney position. As Senior Attorney, [REDACTED] supervised the funded project staff. Given [REDACTED] added responsibilities, [REDACTED] salary did not

change. [REDACTED] level of service provision remained consistent with that projected in our program narrative.

- b. \$775 in pension-related fringe benefits not approved by the OVW; and

Response: Life Span concurs with this recommendation and affirmatively states that on October 28, 2019, Life Span submitted a GAN to address the pension costs. The GAN states in relevant part:

Life Span's budget narrative did not include pension costs in the fringe benefits description. Life Span has a 403b pension plan whereby participating staff are eligible for an annual contribution of 1.5% of their salary on a discretionary basis at the end of each fiscal year. In June 2018, funded staff received \$775.44 and in June 2019, funded staff received \$738. We request that OVW funds pay this fringe benefit cost. Given a reduction in health insurance costs, we project our overall fringe expenses to come in under budget by about \$2,500.

- c. \$5,150 in unallowable advanced drawdowns.

Response: Life Span concurs with this recommendation.

5. Coordinate with Life Span to ensure that its rent allocation costs are appropriate, allowable, and supported.

Response: Life Span concurs with this recommendation and affirmatively states that on October 28, 2019, Life Span submitted a GAN to address the rent costs. The GAN states in relevant part as follows:

In Life Span's Budget Narrative, we requested \$48,416 to fund rental costs for project staff. At that time, the project operated from a leased suite in the downtown Chicago office building that houses our Center for Legal Services and Advocacy. The suite was 4,552 square feet and cost on average a \$94,935 per year to rent. Project staff comprised 3 out of 18 Life-Span staff members housed at that location, or 17% of the staff who work from our Center for Legal Services and Advocacy.

From the beginning of the grant period, October 1, 2017 through June 30, 2018, Life Span did not require OVW funds to support the rental costs of the funded project. We reserved the use of these funds because soon after the grant period began, our existing lease ended and we negotiated an expansion of our office space.

On January 5, 2018, we moved into a new office suite with 6,625 square feet at an annual cost of \$172,250. Project staff comprised 3 out of 21 FTE staff housed in that suite, or 15%. Starting July 1, 2018, we allocated OVW funds for the payment of rent in that location at a cost of \$1,862.17/month. This amount is less than the 15% expense attributable to the funded staff (\$2,153/mo.) but was consistent with our overall budgeted rent allocation for the remaining duration of the grant period.

In September 2018, [REDACTED] replaced [REDACTED] as the funded attorney on the project. OVW funds support 65% of [REDACTED] salary. At this time, the amount of rental space attributed to the grant, decreased from 15% (3 FTE/21 FTE) to 13% (2.65 FTE/21FTE). While the FTE changed, we continued to allocate \$1,862.17/month in OVW funds for the payment of rent. This remains less than the amount we could attribute to the grant (\$1,866.05/mo).

6. Ensure that Life Span enhances its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

Response: Life Span concurs with this recommendation.

7. Ensure that Life Span enhances its policies and procedures for preparing and submitting FFRs.

Response: Life Span concurs with this recommendation.

We look forward to OVW's responses to our outstanding GANs. Further, we appreciate the opportunity to work with OVW to ensure that we administer grants funds in compliance with fiscal and administrative requirements.

Sincerely,


Denise Wolf Markham
Executive Director

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 8, 2020

MEMORANDUM

TO: Carol Taraszka
Regional Audit Manager

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

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

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to Life Span, Chicago, Illinois

This memorandum is in response to your correspondence dated November 20, 2019 transmitting the above draft audit report for Life Span. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains seven recommendations with \$9,371 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. Verify that Life Span enhances its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.

Concur: OVW will coordinate with Life Span to verify that they enhance its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.

2. Ensure Life Span has implemented and disseminated new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to Life Span Chicago, Illinois

Concur: OVW will coordinate with Life Span to ensure that they implement and disseminated new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.

3. Ensure that Life Span's changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.

Concur: OVW will coordinate with Life Span to ensure that their changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.

4. Remedy \$9,371 in unallowable costs, specifically:

- a. \$3,446 in unapproved costs associated with salary expenses;
- b. \$775 in pension-related fringe benefits not approved by the OVW; and
- c. \$5,150 in unallowable advanced drawdowns.

Concur: OVW will coordinate with Life Span to ensure that they remedy the \$9,371 in unallowable costs.

5. Coordinate with Life Span to ensure that its rent allocation costs are appropriate, allowable, and supported.

Concur: OVW will coordinate with Life Span to ensure that their rent allocation costs are appropriate, allowable, and supported.

6. Ensure that Life Span enhances its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

Concur: OVW will coordinate with Life Span to ensure that they enhance its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

7. Ensure that Life Span enhances its policies and procedures for preparing and submitting FFRs.

Concur: OVW will coordinate with Life Span to ensure that they enhance its policies and procedures for preparing and submitting FFRs.

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.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to Life Span Chicago, Illinois

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

JanSheri Morris
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 Life Span and the Office on Violence Against Women (OVW) for review and official comment. Life Span's response is incorporated in Appendix 3, and the OVW's response is incorporated in Appendix 4 of this final report. In response to the draft report, Life Span concurred with our recommendations. The OVW also concurred with our recommendations, and as a result, the status of the report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for the OVW:

1. **Verify that Life Span enhances its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.**

Resolved. The OVW concurred with our recommendation and stated it will coordinate with Life Span to verify that Life Span enhances its performance data collection and reporting methodology for progress reports and adequately tracks data related to the intended goals and objectives of the grant.

Life Span concurred with our recommendation. Life Span stated that prior to the audit, it purchased a new data management system to enhance its data collection and reporting abilities.

This recommendation can be closed when we receive documentation that Life Span has enhanced its performance data collection and reporting methodologies for progress reports to ensure it is adequately tracking data related to the intended goals and objectives of the grant.

2. **Ensure Life Span has implemented and disseminated new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.**

Resolved. The OVW concurred with our recommendation and stated it will coordinate with Life Span to ensure that Life Span implements and disseminates new policies and procedures documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.

Life Span also concurred with our recommendation.

This recommendation can be closed when we receive documentation that Life Span has implemented and disseminated new policies and procedures

documenting the Deputy Executive Director's grant-related responsibilities, which includes the designation of back-up personnel.

3. Ensure that Life Span's changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.

Resolved. The OVW concurred with our recommendation and stated it will coordinate with Life Span to ensure that changes in Life Span's time and effort and cost allocation methodology associated with the senior attorney to the grant is appropriate and acceptable.

Life Span concurred with our recommendation. Life Span stated that the OIG instructed Life Span officials that the Grant Adjustment Notification (GAN) it submitted related to personnel staffing changes should have included additional information. For clarification, we provided Life Span with our finding that the GAN it submitted for changes in staff did not include specific changes in time and effort associated with staffing changes and, therefore, the OVW was unaware of these changes. In December 2019, Life Span submitted a GAN to the OVW addressing the time and effort and cost allocation methodology associated with staff changes. The GAN specifically advised the OVW of a staff change associated with Life Span attorneys working on the grant; Life Span submitted the resume of the new attorney working on the grant and a justification for the change in staffing levels for this grant.

This recommendation can be closed when we receive documentation reflecting that the OVW has ensured that Life Span's changes in time and effort and cost allocation methodology associated with the senior attorney assigned to the grant is appropriate and acceptable.

4. Remedy \$9,371 in unallowable costs related to salary expenses, pension-related fringe benefits, and advanced drawdowns.

Resolved. The OVW concurred with our recommendation and stated that it will coordinate with Life Span to ensure that Life Span remedies the \$9,371 in unallowable costs.

Life Span concurred with our recommendation. Life Span stated in October 2019, Life Span submitted a GAN to the OVW to address the unallowable costs associated with salary expenses and pension costs. Through this GAN, Life Span requested that the OVW retroactively approve Life Span's expenditures associated with salary and fringe benefit costs questioned during the audit. However, this GAN does not address the advanced drawdowns.

This recommendation can be closed when we receive documentation reflecting that the \$9,371 in unallowable costs related to salary expenses,

pension-related fringe benefits, and advanced drawdowns has been remedied in an appropriate manner.

5. Coordinate with Life Span to ensure that its rent allocation costs are appropriate, allowable, and supported.

Resolved. The OVW concurred with our recommendation and stated that it will coordinate with Life Span to ensure that Life Span's rent allocation costs are appropriate, allowable, and supported.

Life Span concurred with our recommendation. Life Span stated that in October 2019, Life Span submitted a GAN to the OVW to address the changes in its rent costs. Through this GAN, Life Span provided the OVW with an overview of the changes it made to its rental allocation methodology to account for changes in staffing levels and rental costs associated with its new location.

This recommendation can be closed when we receive documentation reflecting that the OVW has ensured that Life Span's rent allocation costs are appropriate, allowable, and supported.

6. Ensure that Life Span enhances its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

Resolved. The OVW concurred with our recommendation and stated it will coordinate with Life Span to ensure that Life Span enhances its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

Life Span also concurred with our recommendation.

This recommendation can be closed when we receive documentation reflecting that Life Span enhanced its process to verify that all expenses identified in the accounting system are allocated correctly to the grant prior to drawing down funds.

7. Ensure that Life Span enhances its policies and procedures for preparing and submitting FFRs.

Resolved. The OVW concurred with our recommendation and stated that it will coordinate with Life Span to ensure that Life Span enhances its policies and procedures for preparing and submitting FFRs.

Life Span also concurred with our recommendation.

This recommendation can be closed when we receive documentation reflecting that Life Span enhanced its policies and procedures for preparing and submitting FFRs.



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