



Audit of the Office of Justice Programs Office for
Victims of Crime Cooperative Agreement Awarded
to the Sonoma County District Attorney's Office,
Santa Rosa, California



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Objectives

The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) awarded the Sonoma County District Attorney's Office (SCDAO) in Santa Rosa, California, a cooperative agreement totaling \$850,000 for the fiscal year (FY) 2019 Transforming Family Justice Center Services: Creating New Pathways of Hope and Healing for Polyvictim award. The award aimed to assist in improving how victim service providers respond to survivors of polyvictimization, who are generally described as having multiple victimizations of different kinds. The objectives of this audit were to determine whether costs claimed under the award 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 found that the SCDAO achieved or demonstrated adequate progress towards achieving the award's stated goals and objectives. However, we identified inadequacies related to award financial management, special conditions compliance, expenditures involving gift card purchases, indirect costs, and award financial and performance reports. We also identified \$6,349 in questioned costs.

Recommendations

Our report contains nine recommendations to OJP to assist the SCDAO in improving its award management and administration and to remedy questioned costs. We requested a response to our draft audit report from the SCDAO and OJP, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the OJP cooperative agreement that we reviewed was to implement an OVC-funded Polyvictim Assessment Tool, increase partnerships to provide more holistic services, expand case management services, and build capacity within communities. The project period for the award was from October 1, 2019, through September 30, 2023. As of February 9, 2023, the SCDAO drew down a cumulative amount of \$765,729 for the award we reviewed.

Program Goals and Accomplishments

We found that the SCDAO has achieved or demonstrated adequate progress towards achieving the award's stated goals and objectives. However, we determined that the SCDAO overstated its accomplishments on its progress reports for 2 of the 6 measurements we reviewed.

Award Financial Management and Reporting

We identified issues in the SCDAO's financial management policies and procedures for award management. Specifically, we identified a significant deficiency in that the SCDAO commingled award funds and expenditures in its official accounting system with other funding and expenditures. Further, we found that the SCDAO did not adhere to its own policies when it purchased gift cards for its clients. The SCDAO also acknowledged that it inadvertently overstated expenditures by \$70,236 due to the inclusion of duplicate expenditures on one of the four Federal Financial Reports (FFR) we reviewed. Lastly, we could not confirm whether SCDAO's financial point of contact at the time the award was accepted had taken the required training due to SCDAO's lack of record retention.

Award Expenditures

We identified \$4,572 in unsupported expenditures for the purchase of gift cards and \$1,777 in unallowable indirect costs.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the Sonoma County District Attorney's Office (SCDAO) in Santa Rosa, California, in support of the SCDAO's Family Justice Center Sonoma County (FJCSC).¹ Specifically, the purpose of this award was to fund the FJCSC's efforts to create new pathways for hope and healing for polyvictims. The SCDAO was awarded a cooperative agreement in the amount of \$850,000, as shown in Table 1.

Table 1

Cooperative Agreement Awarded to the Sonoma County District Attorney's Office

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2019-V3-GX-K022	OVC	09/24/2019	10/01/2019	09/30/2023 ²	\$850,000

Source: JustGrants System

Funding through OVC's award program entitled "OVC FY 2019 Transforming Family Justice Center Services: Creating New Pathways of Hope and Healing for Polyvictims" was aimed to assist in improving how victim service providers respond to survivors of polyvictimization, who are generally described as having multiple victimizations of different kinds, such as combinations of sexual abuse, physical abuse, bullying, or exposure to family violence. The primary goal of the program was to support Family Justice Centers (FJC) or similar co-located service model agencies and transform service delivery to more effectively meet the needs of polyvictims. Through the program, OVC awarded funding to six recipients to implement OVC's Polyvictim Assessment Tool developed through a prior initiative, increase partnerships with traditional and non-traditional FJC services to serve identified polyvictims more holistically, expand case management services to include a thorough understanding of the specific needs of the survivors, and build capacity within their communities to leverage existing and new resources for crime victims.³

The Awardee

The SCDAO is located within the County of Sonoma, in Santa Rosa, California. The SCDAO is responsible for the prosecution of all criminal matters within the county and is comprised of several functional areas such as the Domestic Violence Sexual Assault Unit, Elder Protection Unit, Gang and Hate Crimes Unit, Victim

¹ OJP awards a cooperative agreement when it anticipates being substantially involved with the recipient during performance of the funded activity. We use the terms "cooperative agreement," "grant," and "award" interchangeably throughout the report.

² In March 2022, the SCDAO obtained from OVC a no-cost extension that extended the cooperative agreement's end date from September 30, 2022, to September 30, 2023.

³ The FY 2019 program furthered the work and builds on the lessons learned through a FY 2016 OVC funding initiative, "A Pathway to Justice, Healing, and Hope: Addressing Polyvictimization in a Family Justice Center." During OVC's FY 2016 initiative, a specialized polyvictimization assessment tool was developed, validated, and tested for use in identifying polyvictims and building capacity in FJCs to serve polyvictims in a more holistic manner.

Services, and the FJCSC. The SCDAO is the lead agency at the FJCSC and provides fiscal and administrative leadership, as well as co-locates prosecutors, investigators, and Victim Services Division staff at the FJCSC. The FJCSC's mission is to empower family violence victims to live free from violence and abuse by providing coordinated and comprehensive services centered on and around the victim through a single point of access to address this issue. The FJCSC serves those who are experiencing or have experienced: domestic violence, dating violence, sexual assault, child abuse, elder abuse, and elder financial abuse. As of September 2022, the FJCSC had 11 on-site partners, including SCDAO's Victim Services Division and 21 off-site partners from local government and nonprofit organizations in the area. The SCDAO was also the lead agency in obtaining this award, and the award included funding to enable its partners to provide victim services. Services provided by the FJCSC and its partners include advocacy, legal support, immigration services, counseling, elder abuse support, safety planning, limited food and clothing supplies; and services such as a child play area, computer use, and appointment transportation assistance. In addition to these services, the award provided funds for the FJCSC to provide nontraditional services of massage and yoga that treat survivors holistically.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the awardee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and Federal Financial Reports (FFR).

We tested compliance with what we consider to be the most important conditions of the award. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); Sonoma County and SCDAO policies and procedures; 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 award documentation, performance reports, and interviewed SCDAO and FJCSC officials to determine whether the SCDAO 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 the SCDAO's compliance with the special conditions identified in the award documentation. As detailed in the following sections of the report, we found that the SCDAO generally met or was making adequate progress for all program goals. However, we noted some inaccuracies in the reporting on performance.

Program Goals and Objectives

In September 2019, the SCDAO was awarded a cooperative agreement by OVC to support the FJCSC in transforming its service delivery to meet the needs of polyvictims more effectively. As stated in its application to OVC, the funding was requested to assist the SCDAO in supporting the FJCSC achieve eight goals: (1) implement the Polyvictimization Assessment Tool within the first 6 months, (2) implement a hope-centered framework, (3) complete a strategic planning process for implementation of the validated Polyvictimization Assessment Tool and expansion of services, (4) identify new partnerships to address the needs of identified polyvictims, (5) develop new or expand existing memoranda of understanding, (6) partner with a research entity, (7) develop a learning exchange team, and (8) coordinate with OVC and the technical assistance provider throughout the project period.⁴

To assess whether the SCDAO—through the FJCSC—achieved or was making progress toward the award goals, we discussed the program goals and accomplishments with the FJCSC Executive Director and Client Services Coordinator. In addition, we reviewed progress reports and award documentation, such as Grant Adjustment Modifications (GAM) and other supporting documentation obtained from the SCDAO and the FJCSC. We also surveyed four partner organizations and interviewed two of the four surveyed partner organizations. We determined that the SCDAO had met or was making sufficient progress towards meeting all program goals.⁵ For example, in January 2020, the SCDAO met project goal 1 when it implemented the Polyvictimization Assessment Tool within the established timeframe, and as the FJCSC provided documentation to support that it operated within a hope-centered framework in serving victims of crimes, it also met goal 2. Additionally, the SCDAO met goals 3, 4, and 5 by conducting strategic planning, identifying new partners, and working to establish new partnerships through memoranda of understanding. Further,

⁴ As stated in the OJP solicitation, "Research indicates that hope not only buffers adversity and stress, but it also predicts important outcomes and can be both learned and sustained." Hope theory supposes that hope is more of a "positive motivational state" resulting from a cognitive process rather than a feeling as popularly thought. It further suggests that if people can think in a way that generates many plausible and actionable pathways toward achieving their goals, they can be hopeful.

⁵ The SCDAO requested of OJP a no-cost 1-year extension to the performance period due to the impact of the COVID-19 pandemic. The request was to have more time for operations and collect data for the program. No changes were made to the stated goals and objectives.

the SCDAO's already-established learning exchange team continued to meet quarterly, thereby meeting goal 7.

Furthermore, although the SCDAO had not yet fully achieved goals 6 and 8, there were ongoing efforts throughout the period of performance towards those goals. Namely, the SCDAO partnered with a local research entity to collect data and conduct an evaluation, and the entity worked with the SCDAO on local efforts and helped with reporting to the national researcher. The SCDAO also continued its ongoing coordination with OVC and the national Technical Assistance provider and its research partner, attended related quarterly meetings, and participated in a subcommittee researching whether to add racial trauma to the assessment tool.

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. We reviewed two recent progress reports for the 6-month periods ending June 2021 and December 2021, and we selected a sample of six performance measurements to verify the reported information. The performance measures we selected were: (1) the number of individuals receiving services who presented more than one type of victimization, (2) the number of individuals assisted with a victim compensation application, (3) the number of clients served who self-identified as American Indian or Alaska Native, (4) the number of clients who experienced elder abuse or neglect, (5) the number of times "Other therapy" was delivered, and (6) the number of times clients received assistance related to a victim impact statement.⁶ We then traced the reported performance measures to supporting documentation maintained by the SCDAO and the FJCSC.

Based on our review, we determined that four of the six tested performance measures were accurately reported while two measurements were inaccurately reported on the progress reports we tested. Specifically, as shown in Table 2, for two of the measurements we tested the SCDAO inaccurately reported statistics information for the entire FJCSC rather than reporting only the award-funded services provided. As a result, the SCDAO significantly over-reported the number of individuals assisted with a victim compensation application and the number of times clients received assistance with a victim impact statement.

⁶ Other therapy includes non-traditional services such as the assessment tool, massage therapy, yoga, reiki, and workshops.

Table 2

Performance Measurement Inaccuracies

Performance Measurement	January 2021 - June 2021		July 2021 - December 2021	
	Reported - Provided by the Center	Actual - Funded by Award	Reported - Provided by the Center	Actual - Funded by Award
Number of individuals assisted with a victim compensation application	279	6	259	5
Number of times assistance was provided related to victim impact statement	173	25	158	19

Source: OIG Analysis and DOJ's JustGrants System

The inaccurate performance measures identified in Table 2 resulted from the SCDAO including assistance provided by the FJCSC as a whole and not assistance funded exclusively by the award. A SCDAO official explained to us that during the annual International Family Justice Center Conference in May 2022, they learned that statistical information reported for these measurements should have been limited to actions funded by the award; we confirmed with OVC that awardees are to report only on the activities funded by the award.⁷ The SCDAO stated it had revised its methodology for compiling the measurements as of the quarter ending June 2022. Therefore, not only were the tested progress reports inaccurate in relation to these measurements, but all progress reports from the start of the award through June 2022 were inaccurate as the result of this error. We recommend that OJP coordinate with the SCDAO to ensure that progress reports accurately reflect activities as required and submit corrected progress reports as necessary.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the award. We evaluated the special conditions for the award and selected a judgmental sample of the requirements that are significant to performance under the award and are not addressed in another section of this report. Specifically, we evaluated three sampled special conditions, as follows:

1. The Point of Contact (POC) and all Financial POCs for the award must have successfully completed "OJP Financial Management and Grant Administration Training" within 120 days after acceptance of the award.
2. The awardee must have written procedures in place to respond to actual or imminent breaches of personally identifiable information (PII) if it "collects, uses, processes, stores, maintains, disseminates, discloses, or disposes" within the scope of the award funded program. Procedures

⁷ SCDAO personnel stated that three measurements were impacted. Two of the measurements were included in our sample and the results of our review are included in this report. However, the third measurement (number of times assistance with restitution was provided) was not tested.

must include a requirement to report to OVC within 24 hours of occurrence or actual breach or detection of imminent breach.

3. The awardee must submit its policies and procedures for maintaining the confidentiality of victims' information and for information sharing between partners to OVC for review and approval, within 90 days of the date of the award. The awardee must submit a signed, written certification that data privacy and sharing protocols comport with the confidentiality and privacy rights and obligations of federal law or the awardee jurisdiction's law, court rules, or rules of professional conduct applicable to the work performed by the grantee.

Based on our review, we determined that the SCDAO complied with the second and third special condition identified above. We could not determine if all Financial POCs for the award had completed the required training. Specifically, the SCDAO provided evidence that the current POC and Financial POC completed the OJP financial management and grant administration training. The SCDAO stated that the Financial POC at the time the award was accepted had completed the required training, but the SCDAO could not locate the supporting documentation. Therefore, because the SCDAO could not provide this support, it did not comply with the DOJ Grants Financial Guide, which states that awardees must "retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report." Additionally, maintaining such documentation through staffing changes enables the SCDAO to have confirmation that all personnel managing the award were trained. We recommend that OJP ensure that the SCDAO complies with all award special conditions and retains all necessary supporting documentation.

Award Financial Management

According to the DOJ Grants Financial Guide, all award recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess the SCDAO's financial management of the award covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and reviewed award documents to determine whether the SCDAO adequately safeguarded the award funds we audited. We also reviewed the SCDAO's Single Audit Report for fiscal year (FY) 2021 to identify any reported internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of this award, as discussed throughout this report. Based on our review, we concluded that award financial management related to expenditures, drawdowns recording, and financial reporting could be improved. As discussed in other sections of the report, we found that the SCDAO did not comply with County policy when making gift card purchases, commingled award funding and expenditures in its accounting system, and over-reported expenditures on one of the four FFRs we reviewed.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year.

As the SCDAO is an agency within the Sonoma County governmental structure, we reviewed the last Single Audit Report issued for the County of Sonoma, covering the county's FY 2021 from July 2020 to June 2021. In its report, the auditors found that the schedule of expenditures of federal awards was fairly stated and that the County qualified as a low-risk auditee. However, the report also found at the time of the audit that Sonoma County had not documented all evaluations of subrecipients' risk of noncompliance and had not finalized and submitted a required quarterly report related to another federal award. These findings were not specific to the SCDAO or the audited award.

Award Expenditures

The SCDAO's approved budget for the award included personnel, fringe benefits, travel, supplies, contractual, and other costs. According to the financial records, the SCDAO's expended award funds totaled \$765,729, as of February 9, 2023. The SCDAO was not required to provide matching funds.

To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. Specifically, we judgmentally selected \$43,823 in personnel and fringe benefits costs associated with two non-consecutive periods and 42 other transactions totaling \$54,944, for a total sample of \$98,767.⁸ The sample represented 13 percent of total expenditures charged to the award as of February 9, 2023, and included expenditures from the following categories: Personnel, Fringe Benefits, Travel, Supplies, Procurement Contracts including victims services provided by partners and other community-based organizations, and Other Direct Costs such as gift card purchases.⁹ We reviewed SCDAO's accounting records and supporting documentation and performed verification testing related to award expenditures. As a result of our analysis, we found that the SCDAO commingled award funding and expenditures in its official accounting system and identified \$6,349 in questioned costs related to the purchase of gift cards and indirect costs as we described in the following sections.

Commingling

According to the DOJ Grants Financial Guide, all award recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. The DOJ Grants Financial Guide also states that award recipients must account for each award separately, and if its automated general ledger accounting system cannot comply with this requirement, a system should be established to adequately track funds according to each budget category (i.e., no commingling of funds). We determined that the SCDAO did not comply with the DOJ Grants Financial Guide in this regard, as award funding and expenditures (including personnel costs) were commingled with other award funding and expenditures in its accounting system. Specifically, the SCDAO used one account code to account for all DOJ funding in its accounting system, rather than establishing unique sub-account codes for each source of funding from the DOJ. This was problematic as the SCDAO received funding from two sources within the

⁸ Most non-personnel expenditures charged to the award were paid to four co-located partner organizations providing services on a monthly basis.

⁹ Costs for services provided by partners and other community-based organizations were categorized as Procurement Contracts under OJP's budget worksheet.

Gift cards for retailers were recorded as other supplies, while gift cards for gasoline and ride sharing services were recorded as travel.

DOJ, OVC, and the Office on Violence Against Women, for part of the award period (October 2019 through September 2022). A description in the journal entry identified the award for which the funds were received, but the included information was not always clear or complete and was not sufficient to separately account for each award.

Furthermore, the SCDAO commingled award-related expenditures when it entered associated expenses into the accounting system by expense categories, rather than by award or program. To track award expenditures, the SCDAO maintained an external award-specific expenditure spreadsheet by manually reviewing expenditures from the accounting system and identifying award-related expenses. The SCDAO then entered identified award expenditures into the external spreadsheet. For salary and associated fringe benefits costs for the award-funded employee, the SCDAO calculated the costs and added it to the supplemental spreadsheet. Award funding was not included on the external spreadsheet.

We asked an SCDAO representative why award funds and expenditures were not accounted for by award within its accounting system. An SCDAO representative stated that the accounting system was not set up to track by award and that the SCDAO was shifting to a transitional cost accounting system in July 2022, which would enable it to do so. However, when we followed up in January 2023 to determine if the changes had been implemented, the SCDAO informed us that it had implemented the change but not for the DOJ awards account as it was currently receiving funds from only one award within the DOJ. The SCDAO stated that if additional funding from DOJ was obtained, it would begin to account for awards separately in its accounting system now that it had the capability.

While we recognized that the external spreadsheet contained the award expenses, it was not part of the official accounting system and could not be relied upon to prevent commingling of award receipts and expenditures. Furthermore, while the SCDAO was receiving funds from only one source within the DOJ as of January 2023, award funds were commingled for a large part of the award period and for prior DOJ awards, and there were no controls in place as of March 2023 to prevent award funds from being commingled in the future. We recommend that OJP work with the SCDAO to ensure that all award activities, including funding and expenditures, are accurately allocated to the award in its accounting system and to implement controls to prevent commingling of award financial activity as soon as possible.

Personnel Costs

The SCDAO's award budget included the salary and associated fringe benefits for one employee. As part of our testing, we reviewed the employee salary and the related fringe benefit costs charged to the award totaling \$43,823 (\$26,100 for salary, and \$17,723 for fringe benefits) for two non-consecutive quarterly pay periods to determine if labor charges were computed correctly, accurately recorded, properly authorized, and allocated to the award. Through our testing, we determined that personnel costs for both periods tested were not properly allocated to the award in the accounting system due to the commingling issue, as discussed above, and that the award was overcharged for salary costs during one period.

During the period from October 1, 2019, through December 16, 2019, one SCDAO staff person was partially funded by the award. To support the personnel costs for this period, the SCDAO provided a detailed time report that included specific hours charged to the award along with the SCDAO's internal payroll time report. Through our review, we noted a discrepancy between the salary charged to the award and the salary supported by the documentation. More specifically, the award was charged for 358 hours, or

\$12,412, while the supporting documents supported 346 hours or \$11,996, \$416 less than the award was charged. We also found that both reports were reviewed by the supervisor but that there appeared to be no reconciliation between the two records. Because we determined the total of the unsupported personnel costs to be de minimis, we do not question the expense. However, we recommend that OJP require the SCDAO to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy.

Direct Costs

We found that the SCDAO charged the award a total of \$345,198 for Procurement Contracts including victim services provided by partners and other community-based organizations, Supplies, Travel, and Other Costs, as of March 2022. As part of our sampled expenditures, we reviewed 42 transactions comprised of 37 direct cost expenditures and 5 adjusting entries totaling \$54,944 to determine if the transactions were supported, accurate, approved, allowable, and properly allocated. We reviewed invoices, timesheets, credit card statements, and system document histories showing approvals to complete our analysis. We found that 39 transactions (34 expenditures and 5 adjusting entries) were allowable and supported. Additionally, we found that three expenditures were unsupported, which we discuss below.

As part of its services to crime victims, the FJCSC provides gift cards to its clients for needed supplies, such as groceries, travel and transportation, and other sundries. Three expenditures in our sample totaling \$3,112 were for the purchase of gift cards. We reviewed supporting documentation for the transactions and determined that each was not adequately supported with documentation. Specifically, we found that the gift card expenditures were made with Sonoma County purchase cards but were not approved in accordance with the Sonoma County purchase card policy. The policy states that County-issued purchasing credit cards "may not be used to purchase gift cards without advance approval from the Sonoma County Purchasing Agent."

However, the SCDAO did not obtain preapproval from the Sonoma County Purchasing Agent as required. When we asked the SCDAO financial official responsible for this award why preapproval was not obtained before the gift cards were purchased, the official stated that gift card purchases were approved as part of the award application and that additional approval was not necessary. We found no mention of gift cards in the approved budget, although a budget modification approved by OJP on August 4, 2020, allocated \$2,500 for gift card purchases to "alleviate the financial distress and provide stability for polyvictims."¹⁰ While we acknowledge that the modified budget included \$2,500 for gift cards, we disagree with the SCDAO's position that the OJP budget approval for gift cards eliminated the need for preapproval pursuant to County policy. We also reviewed the SCDAO's award expenditures for other gift card purchases and identified three additional expenditures for gift cards and travel-related pre-paid media totaling \$1,460. Similar to the gift cards discussed above, these purchases were also made without preapproval from the Sonoma County Purchasing Agent.

We recognize that the purchase of some gift cards was included in the modified budget, and we do not dispute the use of award funds for gift card purchases in general. However, we believe that budget approval did not eliminate the need for the SCDAO to follow its local policy, which required obtaining

¹⁰ The initial approved budget for the award included \$3,001 for travel vouchers in the Supplies category, which is how the SCDAO classified gift cards to be used for travel expenses, such as gasoline and passenger transportation services.

preapproval when purchasing gift cards. Lastly, we found that the SCDAO was not tracking the gift card amount in its ledger as required by the Sonoma County District Attorney's policy and procedure manual on gift cards. We recommend that OJP work with the SCDAO to ensure supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained and to strengthen controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual on gift cards. We also recommend that the OJP remedy the \$4,572 (\$3,112 in sampled transactions and \$1,460 in additional gift card expenditures) in costs for which SCDAO could not provide adequate documentation to support that the transactions had been approved in compliance with County policy.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. According to the DOJ Grants Financial Guide, recipients that do not have an approved indirect cost rate may either negotiate an indirect cost rate with their cognizant federal agency or elect to charge a de minimis rate of 10 percent of modified total direct costs. In its original budget, SCDAO requested, and OJP subsequently approved, an indirect cost rate of 2.75 percent. In April 2021, OJP approved the SCDAO's request to reduce the indirect cost rate to 1.76 percent (for year 1), 1.66 percent (for year 2), and 1.57 percent (for year 3).

During our review of SCDAO's financial activity, we noted that the SCDAO continued to calculate and charged indirect costs at 2.75 percent even after it requested and received approval to reduce the indirect cost rate over time. This resulted in overcharges of \$1,777 to the award in 4 of the 6 periods we reviewed. We recommend that OJP ensure the SCDAO calculates and charges the grant for indirect costs using the approved rate on a consistent basis. We also recommend that the OJP remedy \$1,777 in unallowable indirect costs.

Budget Management and Control

According to the DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the award recipient must initiate a GAM for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount. We compared award expenditures to the approved budgets to determine whether the SCDAO transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. To assess whether the SCDAO managed award receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. As of February 9, 2023, the SCDAO had drawn down \$765,729.

SCDAO staff explained that drawdowns are requested on a reimbursable basis. In preparation for submitting drawdown requests, the SCDAO generates a report from its accounting system and then manually identifies expenditures related to the award to determine the drawdown amount. Once tallied, the drawdown request and expenditures are provided to the FJCSC Executive Director for approval before the drawdown is requested. During this audit, we did not identify deficiencies related to the SCDAO's manual process for developing drawdown requests, and we confirmed that the SCDAO requested drawdowns on a reimbursable basis. Additionally, we were able to trace funds drawn down as of May 2022 to specific award expenditures and other supporting documents. However, as discussed earlier in the report, we found that the SCDAO's processes for managing award funding resulted in award funds being commingled with other DOJ awards—a significant deficiency related to the award financial management for at least part of the award period.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period as well as cumulative expenditures on each financial report. To determine whether the SCDAO submitted accurate FFRs, we compared the four most recent reports as of March 31, 2022, to the SCDAO's accounting records and supplemental information as provided. As previously discussed, the SCDAO commingled the financial activity of the audited award with other DOJ award financial activity within its accounting system, and the SCDAO operated a separate manual system to account for grant expenditures.

We found that the expenditures reported on one of the four FFRs did not match the SCDAO's financial records. Specifically, the SCDAO inadvertently overreported expenditures on the FFR for the period ending December 31, 2021, by \$70,236. When asked about the discrepancy, SCDAO personnel stated that a \$70,236 expenditure was erroneously duplicated in the FFR. The SCDAO representative could not explain how this occurred but stated that the error was discovered and corrected while preparing the March 31, 2022, report. We confirmed that the error had been corrected. We recommend that OJP ensure that the SCDAO's procedures for completing the FFRs include steps to verify the accuracy of the information.

Conclusion and Recommendations

As a result of our audit testing, we concluded that the SCDAO did not adhere to all award requirements we tested but that the SCDAO met or demonstrated adequate progress towards achieving the award's stated goals and objectives. In particular, we identified a significant issue in that the SCDAO's accounting system commingled the financial activity of the audited award with its funding with other DOJ awards. We also determined that the SCDAO did not retain documentation to support compliance with one of the three special conditions we reviewed, did not reconcile time and effort reports with payroll records, and submitted award financial and performance reports containing errors. We also determined that gift card purchases totaling \$4,572 were unsupported, as the SCDAO could not provide adequate documentation to support compliance with County policy when making the purchases. Further, we found that the SCDAO incorrectly charged the award for indirect costs in the amount of \$1,777, which we deemed unallowable. We provide nine recommendations to OJP to address these deficiencies and remedy \$6,349 in dollar-related findings.

We recommend that OJP:

1. Coordinate with the SCDAO to ensure that progress reports accurately reflect activities as required and submit corrected progress reports as necessary.
2. Ensure that the SCDAO complies with all award special conditions and retains all necessary supporting documentation.
3. Work with the SCDAO to ensure that all award activities, including funding and expenditures, are accurately allocated to the award in its accounting system, and to implement controls to prevent commingling of award financial activity as soon as possible.
4. Require the SCDAO to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy.
5. Work with the SCDAO to ensure supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained and to strengthen controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual on gift cards.
6. Remedy \$4,572 (\$3,112 in sampled transactions and \$1,460 in additional gift card expenditures) in costs for which SCDAO could not provide adequate documentation to support that the transactions had been approved in compliance with County policy.
7. Ensure the SCDAO calculates and charges the grant for indirect costs using the approved rate on a consistent basis.
8. Remedy \$1,777 in unallowable indirect costs.

9. Ensure that the SCDAO's procedures for completing the FFRs include steps to verify the accuracy of the information.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

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

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 OJP cooperative agreement awarded to the SCDAO under the FY 2019 Transforming Family Justice Center Services: Creating New Pathways of Hope and Healing for Polyvictims program in the amount of \$850,000 (Award Number 2019-V3-GX-K022). As of February 9, 2023, the SCDAO had drawn down \$765,729 of the total award funds awarded. Our audit concentrated on, but was not limited to, October 2019 through March 2023.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the SCDAO's activities related to the audited award. We performed sample-based audit testing for award expenditures including payroll and fringe benefit charges and other direct costs, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the award reviewed. This nonstatistical-sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); Sonoma County Financial Policy; the SCDAO's internal procedures; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System and DOJ's JustGrants System as well as the SCDAO's accounting system and other records specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the SCDAO to provide assurance on its internal control structure

as a whole. SCADO management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on the SCDAO's internal control structure as a whole, we offer this statement solely for the information and use of the SCDAO and OJP for external audits.¹¹

In planning and performing our audit, we identified particular internal controls and underlying internal control principles to be significant to the audit objectives. Specifically, our review of internal controls covered SCDAO established policies and procedures pertaining to aspects of award performance and financial management. We tested the implementation and operating effectiveness of specific controls over the award activity occurring within our scope. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

¹¹ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Award No.	Amount	Page
Questioned Costs:¹²			
Unsupported Gift Card Costs	2019-V3-GX-K022	\$4,572	10
Unallowable Indirect Costs	2019-V3-GX-K022	\$1,777	10
TOTAL DOLLAR-RELATED FINDINGS		<u>\$6,349</u>	

¹² **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: The Sonoma County District Attorney's Office Response to the Draft Audit Report



COUNTY OF SONOMA

OFFICE OF THE DISTRICT ATTORNEY

Hall of Justice • 600 Administration Drive, Room 212-J • Santa Rosa, CA 95403
PHONE 707.565.2311 • FAX 707.565.2762 • da.sonomacounty.ca.gov

CARLA RODRIGUEZ
District Attorney

Corrective Action Plan

Federal Agency: Office for Victims of Crime

Award Number: 2019-V3-GX-K022

Award Date: 09/24/2019

Project Period Start Date: 10/01/2019

Project Period End Date: 09/30/2023¹

Award Amount: \$850,000

Agency: Sonoma County District Attorney's Office (SCDAO)

We recommend that OJP:

1. Coordinate with the SCDAO to ensure that progress reports accurately reflect activities as required and submit corrected progress reports as necessary.

Management's Response and Planned Corrective Action(s):

Management concurs. The Sonoma County District Attorney's Office (SCDAO) will work with OJP to correct the data previously provided. SCDAO has a program procedure for review of the required program reports by an individual other than the preparer prior to submission and retain record of the review and submission. SCDAO is migrating their case management system which will require less manual tracking and more automated tracking specific to grants.

2. Ensures that the SCDAO complies with all award special conditions and retains all necessary supporting documentation.

Management's Response and Planned Corrective Action(s):

Management concurs. With the separation of the prior Administrative Services Officer II (Financial Officer), the Financial POC at the time of award acceptance, the SCDAO was unable to locate the certificate of successful completion of the "OJP Financial Management and Grant Administration Training".

Going forward SCDAO will ensure that all staff take appropriate training and create a procedure to ensure that any changes in staff related to grant awards will be required to review award documentation and take all required training. Additionally, SCDAO will utilize the County's training resource, Sonoma Higher Ed, which assigns and tracks all required training.

¹ In March 2022, the SCDAO obtained from OVC a no-cost extension that extended the cooperative agreement's end date from September 30, 2022 to September 30, 2023.

3. Work with the SCDAO to ensure that all award activities, including funding and expenditures are accurately allocated to the award in its accounting system, and to implement controls to prevent commingling of award financial activity as soon as possible.

Management's Response and Planned Corrective Action(s):

Management concurs. SCDAO implemented a transition cost accounting (TCA) system July 1, 2022. A specific TCA code has been assigned to this grant and will be retroactively implemented effective April 1, 2023. This coding will allow us to identify grant-related revenues and expenditures within the County of Sonoma's financial system.

4. Require the SCDAO to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy.

Management's Response and Planned Corrective Action(s):

Management concurs. The County of Sonoma's accounting structure has an existing process in place. The UKG Dimensions timekeeping system allows employees to enter labor distribution information (project, activity, task, etc.) in combination with time and attendance information. Cost-coding time worked on different projects/grants identifies the actual time and subsequently the salary and associated fringe benefit expenditures associated with those items.

A policy will be created to ensure the electronic timekeeping system is correctly reflected on the Functional Timesheets that are required for the State of California grants.

5. Work with the SCDAO to ensure supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained and to strengthen controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual on gift cards.

Management's Response and Planned Corrective Action(s):

Management concurs. A procedure will be created whereby to purchase any gift cards a request form must be completed by the requestor and approved by management. This will include type of gift card, amount, funding source, etc. Once complete the grant analyst will approve the appropriateness of the purchase and will contact the Sonoma County Purchasing Agent as required for approval. Additionally, the form will state that no VISA gift cards or non-specific gift cards are allowed. After approval from the Purchasing Agent, the grant analyst will forward request to appropriate staff to make the purchase.

Management does not concur. The SCDAO Policy and Procedure Manual's Article 5 Administration and Accounting, Section # 5.11 Vouchers/Gift Cards states, "Ledgers will be used to track the gift cards and will include the following information:...". The intent of this direction is not to include tracking the gift cards amounts within the accounting system, rather that there is a separate ledger or tracking system. The following information is to be included on the tracking or ledger file. The name of the person, case number, or Community Based Organization (CBO) to whom the card was issued, the amount used or gift card amount, and the purpose the card was used for.

6. Remedy \$4,572 (\$3,112 in sampled transactions and \$1,460 in additional gift card expenditures) in costs for which SCDAO could not provide adequate documentation to support that the transactions had been approved in compliance with County policy.

Management's Response and Planned Corrective Action(s):

Management concurs. Requested retroactive approval from County Purchasing per the Gift Card Policy.

7. Ensure the SCDAO calculates and charges the grant for indirect costs using the approved rate on a consistent basis.

Management's Response and Planned Corrective Action(s):

Management concurs. SCDAO will create a procedure to ensure that the approved indirect costs will be charged each quarter. There will be a documented review and approval of the requested reimbursement by an individual other than the preparer prior to submission and retain record of the review and submission.

8. Remedy \$1,777 in unallowable indirect costs.

Management's Response and Planned Corrective Action(s):

Management concurs. SCDAO will work with OJP to correct the unallowable indirect costs.

9. Ensure that the SCDAO's procedures for completing the FFRs include steps to verify the accuracy of the information.

Management's Response and Planned Corrective Action(s):

Management concurs. SCDAO will create a procedure and establish a documented review of the required program financial reports by an individual other than the preparer prior to submission and retain record of the review and submission.

The grant analyst will input the report into JustGrants. The Division Director or Administrative Service Officer will review the report with supporting documentation and then submit the report in JustGrants.



Carla Rodriguez
District Attorney

Date 5/25/23



Marsha Lucien, Executive Director
Family Justice Center Sonoma County

Date 5/25/23

APPENDIX 4: The 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

June 7, 2023

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

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Office for Victims of Crime Cooperative Agreement Awarded to the Sonoma County District Attorney's Office, Santa Rosa, California*

This memorandum is in response to your correspondence, dated April 28, 2023, transmitting the subject draft audit report for the Sonoma County District Attorney's Office (SCDAO). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **nine** recommendations and **\$6,349** in questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

- 1. We recommend that OJP coordinate with the SCDAO to ensure that progress reports accurately reflect activities as required and submit corrected progress reports as necessary.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will work with OJP to correct the data previously provided. In addition, the SCDAO stated that they have a procedure which will provide for a review of the required program reports by an individual, other than the preparer, prior to submission, and will retain records of the review and submission.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that future progress reports accurately reflect activities, as required; and the supporting documentation is maintained for future auditing purposes. In addition, we will coordinate with the SCDAO to determine if prior progress reports for Cooperative Agreement Number 2019-V3-GX-K022, can be revised, and if so, will require the SCDAO to submit corrected progress reports, as necessary.

- 2. We recommend that OJP ensures that the SCDAO complies with all award special conditions and retains all necessary supporting documentation.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will ensure that all staff take appropriate training, and will create a procedure to require new staff to review award documentation and take all required training. In addition, the SCDAO stated that it will utilize the County of Sonoma's training resource, Sonoma Higher Ed, which assigns and tracks all required training for employees.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that the SCDAO complies with all award special conditions, and retains all necessary supporting documentation, as required.

- 3. We recommend that OJP work with the SCDAO to ensure that all award activities, including funding and expenditures, are accurately allocated to the award in its accounting system, and to implement controls to prevent commingling of award financial activity as soon as possible.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it implemented a transition cost accounting (TCA) system on July 1, 2022, that assigns a specific TCA code to the award, which will allow the SCDAO to identify grant-related revenues and expenditures within the County of Sonoma's financial system.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that all award activities, including funding and expenditures, are accurately allocated to the award in its accounting system. We will also obtain documentation to ensure that appropriate controls are implemented in its accounting system to prevent commingling of award financial activity.

- 4. We recommend that OJP require the SCDAO to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that its electronic timekeeping system allows employees to enter labor distribution information (project, activity, task, etc.) in combination with time and attendance information. To strengthen controls, SCDAO stated that it will create a policy to ensure that the electronic timekeeping system correctly reflects the employee's Functional Timesheets, which are required for the State of California grants.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that award-funded employee time and effort reports and payroll records are reconciled for accuracy, and the supporting documentation is maintained for future auditing purposes.

5. **We recommend that OJP work with the SCDAO to ensure supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained and to strengthen controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual on gift cards.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will create a procedure requiring that any gift card purchase be supported by an authorization form, which is completed by the requestor and approved by management prior to purchase.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained. We will also coordinate with SCDAO to obtain written policies and procedures, developed and implemented, to strengthen controls over award-funded gift card purchases, to ensure adherence to the County of Sonoma's purchase card policy and the Sonoma County District Attorney's policy and procedure manual on gift cards.

6. **We recommend that OJP remedy \$4,572 (\$3,112 in sampled transactions and \$1,460 in additional gift card expenditures) in costs for which SCDAO could not provide adequate documentation to support that the transactions had been approved in compliance with County policy.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will request retroactive approval from County Purchasing, per its Gift Card Policy. However, these costs were questioned for inadequate support, not their allowability.

Accordingly, we will review the \$4,572 in questioned costs, related to \$3,112 in sampled transactions and \$1,460 in additional gift card expenditures, and will work with SCDAO to remedy, as appropriate.

7. **We recommend that OJP ensure the SCDAO calculates and charges the grant for indirect costs using the approved rate on a consistent basis.**

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will create a procedure to ensure that the approved indirect costs will be charged each quarter. The SCDAO stated that the policy will include a documented review and approval of the requested reimbursement by an individual other than the preparer, prior to submission, and will retain records of the review and submission.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that indirect costs charged to Federal awards are calculated accurately, using the approved rate.

8. We recommend that OJP remedy \$1,777 in unallowable indirect costs.

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will work with the OJP to correct the unallowable indirect costs.

Accordingly, we will review the \$1,777 in questioned costs, related to unallowable indirect costs, and will work with SCDAO to remedy, as appropriate.

9. We recommend that OJP ensure that the SCDAO's procedures for completing the FFRs include steps to verify the accuracy of the information.

OJP agrees with the recommendation. In its response, dated May 25, 2023, the SCDAO stated that it will create a procedure, and establish a documented review of the required program financial reports by an individual other than the preparer, prior to submission; and will retain records of the review and submission.

Accordingly, we will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal Financial Reports include steps to verify the accuracy of the information, prior to submission, and the supporting documentation is maintained for future auditing purposes.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

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

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Senior Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
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OJP Executive Secretariat
Control Number OCOM000284

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Sonoma County District Attorney's Office (SCDAO). OJP's response is incorporated in Appendix 4, and the SCDAO's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and, as a result, the status of the audit report is resolved. The SCDAO concurred with eight recommendations and partially concurred with one recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Coordinate with the SCDAO to ensure that progress reports accurately reflect activities as required and submit corrected progress reports as necessary.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that future progress reports accurately reflect activities, and that supporting documentation is maintained. It will also coordinate with the SCDAO to determine if prior progress reports for the award can be revised, and, if so, require the SCDAO to submit corrected progress reports, as necessary. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it will work with OJP to correct the data previously provided. The SCDAO also stated that it has a procedure for reviewing the required program reports by an individual other than the preparer and for retaining the records of the reviews prior to submission and at the time of the submission. The SCDAO added that it was in the process of migrating its case management system, which will require less manual tracking and enable more automated tracking of activities funded by the award.

This recommendation can be closed when we receive evidence that the SCDAO, in coordination with OJP, has submitted corrected data as required, developed and implemented procedures for reviewing required program reports prior to submission and for retaining support documentation, and migrated its case management system.

- 2. Ensure that the SCDAO complies with all award special conditions and retains all necessary supporting documentation.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that the SCDAO complies with all special conditions, and retains all necessary supporting documentation, as required. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that with the separation of the prior Financial Point of Contact, the SCDAO was unable to locate the certificate of successful completion of the "OJP Financial Management and Grant Administration Training." The SCDAO also stated that it will ensure all staff take appropriate training and that it will create a procedure to ensure that future grant related staff will also complete all required training. Further, the SCDAO said it will use the County's training resource in assigning and tracking all required training.

This recommendation can be closed when we receive evidence that the SCDAO has taken steps to ensure its compliance with award special conditions and that supporting documentation of compliance is retained. Evidence should also include a copy of the newly created and implemented procedure to ensure all staff related to the cooperative agreement takes appropriate training.

3. Work with the SCDAO to ensure that all award activities, including funding and expenditures are accurately allocated to the award in its accounting system, and to implement controls to prevent commingling of award financial activity as soon as possible.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that all award activities, including funding and expenditures, are accurately allocated to the award in its accounting system. It will also obtain documentation to ensure that appropriate controls are implemented in its accounting system to prevent commingling of award financial activity. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that a specific transitional cost accounting code has been assigned to this cooperative agreement and will be retroactively implemented effective April 1, 2023.

This recommendation can be closed when we receive documentation that the SCDAO has taken sufficient action to ensure that all financial award activities are accurately allocated in its accounting systems and to implement controls to prevent commingling of award financial activity, including evidence that the SCDAO has retroactively implemented use of the transitional cost accounting code for the cooperative agreement.

4. Require the SCDAO to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that award-funded employee time and effort reports and payroll records are reconciled for accuracy and that the supporting documentation is maintained. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it has an existing process. Specifically, the timekeeping system it uses allows employees to enter time and attendance information along with information related to the project, activity, or task. The cost-coding that is

used is able to identify the actual time spent on a project, activity, or task, as well as determine the salary and associated fringe expenditures related to the time worked. The SCDAO stated that it will create a policy to ensure that the electronic timekeeping system is correctly reflected on the timesheets required for the State of California grants.

This recommendation can be closed when we receive evidence that the SCDAO's has taken appropriate steps to strengthen controls to ensure award-funded employee time reports and payroll records are reconciled for accuracy, to include a copy of the SCDAO's newly created and implemented procedures.

- 5. Work with the SCDAO to ensure supporting documents pertinent to the award, such as evidence of review and approval of an expense prior to payment, are properly retained and to strengthen controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual on gift cards.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that supporting documents pertinent to the award, including evidence of review and approval of an expense prior to payment, are retained. Additionally, it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to strengthen controls over award-funded gift card purchases, and to ensure adherence to both the County of Sonoma and the SCDAO's policies related to purchasing gift cards. As a result, this recommendation is resolved.

The SCDAO partially concurred with our recommendation. It stated in its response that it will create a procedure for purchasing gift cards. This procedure will include the purchaser being required to complete a form that includes the type of gift card, amount, and funding source. Also, the purchaser will need to provide that form to management for approval. Then the grant analyst will review the completed request form for appropriateness and contact the Sonoma County Purchasing Agent for approval as required. The grant analyst will forward the approved request to the appropriate staff to make the purchase. The SCDAO also stated the form will include the statement that no VISA gift cards or non-specific gift cards are allowed.

The SCDAO did not concur with the portion of the recommendation stating that it needed to strengthen controls that ensure award-funded gift card purchases adhere to Sonoma County District Attorney's policy and procedure manual on gift cards. The SCDAO stated the intent of the SCDAO Policy and Procedure Manual Article 5 Administration and Accounting, Section #5.11 *Vouchers/Gift Cards* is not to include the tracking of the gift cards amounts within the accounting system, rather in a separate ledger or tracking system. We recognize that the policy's intent is not to require the SCDAO to track individual gift card amounts within the accounting system; however, this portion of the recommendation relates to the separate ledger maintained by the SCDAO to track gift cards purchased and distributed by the Family Justice Center Sonoma County. More specifically, the separate ledger provided during the audit did not include all information required pursuant to its policy, such as the amounts used or the gift card amounts.

This recommendation can be closed when we receive evidence that the SCDAO, in coordination with OJP, has taken actions to ensure that supporting documents pertinent to the award, such as evidence of review and approval of expenses prior to payment, are properly retained and that it has strengthened controls that ensure award-funded gift card purchases adhere to the County of Sonoma's purchase card policy and Sonoma County District Attorney's policy and procedure manual, particularly as it relates to the separate tracking ledger requirements. Evidence should include a copy of any newly created and implemented procedures, documentation supporting the implementation, and a copy of the updated ledger for tracking gift cards that includes the amount of each gift card used or issued.

6. Remedy \$4,572 (\$3,112 in sampled transactions and \$1,460 in additional gift card expenditures) in costs for which SCDAO could not provide adequate documentation to support that the transactions had been approved in compliance with County policy.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$4,572 in questioned costs and will work with the SCDAO to remedy, as appropriate. It noted that these questioned costs were questioned for inadequate support and not on their allowability. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it had requested retroactive approval from County Purchasing per the Gift Card Policy.

This recommendation can be closed when we receive documentation indicating that the SCDAO has appropriately remedied the \$4,572 in unsupported gift card expenditures in consultation with OJP.

7. Ensure the SCDAO calculates and charges the grant for indirect costs using the approved rate on a consistent basis.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that indirect costs charged to federal awards are calculated accurately, using the approved rate. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it will create a procedure ensuring that only approved indirect costs will be charged each quarter and a documented review and approval process related to reimbursement requests before submission.

This recommendation can be closed when we receive evidence of the SCDAO's newly created and implemented procedure for ensuring that the indirect costs reimbursement requests are based on approved rates and appropriately reviewed before submission.

8. Remedy \$1,777 in unallowable indirect costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$1,777 in unallowable indirect costs and will work with the SCDAO to remedy, as appropriate. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it will work with OJP to correct the unallowable indirect costs.

This recommendation can be closed when we receive documentation that the SCDAO has appropriately remedied the \$1,777 in unallowable indirect costs.

9. Ensure that the SCDAO's procedures for completing the FFRs include steps to verify the accuracy of the information.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCDAO to obtain a copy of written policies and procedures, developed and implemented, to ensure that the FFRs include steps to verify the accuracy of the information, prior to submission, and to ensure that the supporting documentation is maintained. As a result, this recommendation is resolved.

The SCDAO concurred with our recommendation and stated in its response that it will create a procedure and establish a documented review of the required financial reports and retain documents related to the review and submission. It specified that the grant analyst will input the report into JustGrants, and the Division Director or Administrative Service Officer will review the report with supporting documentation prior to submitting the report in JustGrants.

This recommendation can be closed when we receive a copy of the SCDAO's newly created and implemented procedure for ensuring that required financial reports are reviewed and that the reviews are documented and retained.