



Audit of the Office on Violence Against Women
Grants Awarded to New York
State Unified Court System,
New York, New York



AUDIT DIVISION

22-077

MAY 2022



EXECUTIVE SUMMARY

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Objectives

The Office on Violence Against Women (OVW) awarded the New York State Unified Court System (UCS) three grants, with one supplement, totaling \$2,340,000 for two programs: (1) Improving Criminal Justice Responses to Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program and (2) Justice for Families Program. 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 awards; and to determine whether UCS demonstrated adequate progress toward achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that UCS demonstrated adequate progress toward achieving the grants' stated goals and objectives. This audit did not identify significant concerns regarding UCS's subrecipient expenditures, personnel and fringe benefit expenditures, financial management, budget management, and drawdowns. However, we found that UCS did not comply with essential award conditions related to subrecipient selection and monitoring, travel expenditures, consultant expenditures, and federal financial reports.

Recommendations

Our report contains seven recommendations to OVW. We requested a response to our draft audit report from UCS and OVW, which can be found in Appendices 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

Audit Results

The purposes of the three OVW grants we reviewed were to improve the justice system's response to domestic violence, sexual assault, and stalking by providing services to victims. The project period for the grants was from October 2016 through September 2022. UCS drew down a cumulative amount of \$939,038 as of December 2021 for all the grants we reviewed.

Subrecipient Selection and Monitoring

We found that UCS did not adequately document the cost reasonableness of its two competitive subawards, could not demonstrate its familiarity with its subrecipients' financial operations, and did not follow up with subrecipients regarding Single Audit requirements. In addition, UCS did not have a conflict-of-interest policy, a process for designing subrecipient monitoring plans, and did not conduct an excluded party's review on all subrecipients.

Travel

We found UCS did not consistently adhere to its travel policy when documenting use of funds for travel expenditures.

Consultant Expenditures

We found UCS did not receive prior approval from OVW for two consultant rates charged over OVW's maximum allowable rate of \$81.25 an hour.

Federal Financial Reports

We found that UCS submitted inaccurate and untimely Federal Financial Reports.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grants awarded by the Office on Violence Against Women (OVW) to the New York State Unified Court System (UCS) in New York, New York. UCS was awarded three grants and one supplement totaling \$2,340,000, as shown in Table 1.

Table 1

Grants Awarded to New York State Unified Court System

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2016-WE-AX-0002	OVW	09/13/2016	10/01/2016	09/30/2019	\$520,000
2016-WE-AX-0002 (Supplement)	OVW	09/17/2019	10/01/2016	09/30/2022	\$520,000
2017-FJ-AX-0005	OVW	09/07/2017	10/01/2017	09/30/2022	\$550,000
2017-WE-AX-0051	OVW	09/26/2017	10/01/2017	09/30/2022	\$750,000
Total:					\$2,340,000

Source: DOJ's Grants Management System and JustGrants System

Both the 2016-WE-AX-0002 and 2017-WE-AX-0051 grants were awarded to UCS from the Improving Criminal Justice Responses to Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program. This program was designed to encourage partnerships between states, non-profits, and non-governmental victim service providers to work collaboratively to identify problems and effective responses to these crimes and ensure victim safety and offender accountability. Related to grant 2016-WE-AX-0002, UCS used more than 90-percent of the funding to make subawards to three subrecipients, and these partners provided training for court staff and other services for victims.

For the 2017-FJ-AX-0005 award, UCS received funding from the Justice for Families Program which is designed to improve the civil and criminal justice system's response to families with a history of sexual assault, domestic violence, dating violence, and stalking, or in cases involving allegations of child sexual abuse. The program focuses on keeping victims and their children safe from further abuse by providing activities such as supervised visitation and safe exchanges by and between parents. UCS utilized the majority of funding from this grant for two nonprofit subrecipients that assisted in activities related to supervised visitation.

The Grantee

According to UCS's website, its mission is to deliver equal justice under the law and to achieve just, fair, and timely resolution of all matters that come before the court. UCS serves the needs of approximately 19,750,000 people, the fourth-largest state population in the nation, by operating with 1,200 state judges and 15,500 non-judicial employees throughout 62 counties in 13 judicial districts.

UCS serves as the pass-through entity for subrecipients, collaborative partners, non-profit organizations, and non-governmental victim service partners, and is responsible for monitoring the operations of each agency to ensure the achievement of the goals and objectives of the awards we audited.

OIG Audit Approach

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

We tested compliance with what we consider to be the most important conditions of the grants. 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.

Audit Results

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations and documentation, and interviewed UCS officials and determined that UCS has demonstrated adequate progress toward achieving program goals and objectives. We also reviewed submitted progress reports and determined these required reports were accurate.

Program Goals and Objectives

The 2016-WE-AX-0002 award was designed to help female and transgender victims of domestic and sexual violence within the Queens Criminal Court System. Its overall goals were to identify these victims and provide them with the appropriate on-site victim advocacy services, as well as expand outreach and training to agencies that already provide these services to victims. UCS worked with the Queens County Unified Court System and its three subrecipients, (1) Edwin Gould Services for Children and Family, (2) the Center for Court Innovation, and (3) the Women's Prison Association, to provide services to victims.

The 2017-FJ-AX-0005 award was intended to serve domestic violence victims and children in need of supervised visitation services within Monroe County, NY, and the city of Rochester, NY. The overall goals were to provide these services to families, hire and train individuals to monitor the visits (including one bilingual individual), and develop a supervised visitation blueprint. UCS worked with two subrecipients, the Society for the Protection and Care of Children and the Willow Domestic Violence Center.

The 2017-WE-AX-0051 award was aimed at serving the entire state of New York by enhancing the New York State Order of Protection Registry. This enhancement allows respondents and defendants to electronically sign and acknowledge service of orders of protection. Another goal of this award was to develop a plain language order of protection information sheet translated into multiple languages. UCS worked with the New York State Police and its subrecipient, the Safe Center LI, to achieve the goals of this grant.

Based on our review, there were no indications that UCS was not making adequate progress toward achieving the stated goals and objectives of the grants.

Required Performance Reports

According to the DOJ Grants Financial Guide, funding recipients should ensure that accurate source documentation is available to support all data collected for each performance measure specified in program solicitations. To verify the accuracy of UCS's progress reports, we selected a sample of three performance measures from the three most recent reports submitted for the grants we audited. We then traced the accomplishments to supporting documentation maintained by UCS.

Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation.

Grant Financial Management

According to the DOJ Grants Financial Guide, 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 the UCS's financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether UCS adequately safeguarded the grant funds we audited. We also reviewed the State of New York's Single Audit Reports for 2018 and 2019 to identify 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 grant, as discussed throughout this report.

Based on our review, we did not identify significant concerns related to UCS's grant financial management.

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 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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.

We reviewed the State of New York's Single Audit Reports for fiscal years ending March 31, 2018, and March 31, 2019, to identify any control weaknesses and significant non-compliance issues related to federal awards. Based on our review, we did not find significant deficiencies or material weaknesses, related to grant administration, in the Single Audit Reports.

Subrecipient Selection and Monitoring

As stated previously in this report, UCS funded six subrecipients through the awards we audited and used State of New York contracting procedures to select each subrecipient. We reviewed UCS's adherence to these procedures and found that it did not always document its assessment of the reasonableness of costs included in the subaward budgets. In addition, we found that UCS had not implemented conflict of interest policies regarding the selection of subrecipients. We also found that UCS did not document its familiarity with subrecipient financial operations, and did not review subrecipient Single Audit Reports to ensure the reports were submitted timely and that the appropriate corrective actions were taken on all audit findings.

Subrecipient Selection

State of New York contracting procurement procedures provide for two different types of selection: (1) competitive, and (2) single/sole source procurement. According to these procedures, when using either type of procurement, UCS was required to document a cost assessment to ensure that each subaward budget was reasonable. We found that when UCS selected its two competitive subawards, it did not adequately document the cost reasonableness for each budget. In addition, we found that UCS did not implement a conflict-of-interest policy to cover staff involved in significant tasks related to subrecipient selection.

As a pass-through entity, UCS should evaluate each subrecipient's risk of non-compliance with grant requirements, most significantly to determine the nature of monitoring that should be conducted for the subrecipients. During the selection phase, we found that UCS required subrecipients to complete a Vendor Responsibility Questionnaire (VRQ), however, this form is intended to evaluate contractor responsibility and not specifically designed to assess the risk of subrecipient non-compliance with grant requirements. As a result, we found that UCS did not document how it interpreted and used subrecipient responses to the VRQs to establish appropriate monitoring plans for each subrecipient.

Along with assessing subrecipient risk of non-compliance with grant requirements, UCS was required to ensure grant funding was not provided to subrecipients that are excluded from receiving federal assistance. Officials told us that UCS did not complete this review because it relies on subrecipients to disclose this information on the VRQ. Because UCS did not perform this check, we completed our own review and found that all six subrecipients were allowed to receive federal assistance.

To improve UCS subrecipient selection, we recommend OVV ensures UCS adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget. We also recommend that OVV ensures UCS improves its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the VRQ to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.

Subrecipient Monitoring

We also reviewed UCS's subrecipient monitoring process and found that it did not have written procedures for conducting site visits of subrecipients and, as of the time of our audit, UCS had not conducted any site visits on the six subrecipients included in our audit. According to the DOJ Grants Financial Guide, when no site visits are conducted, a pass-through entity should be familiar with its subrecipient's financial operations. However, we found that UCS had not documented its familiarity with the financial operations and expenditure support for any of its subrecipients.

Pass-through entities must also ensure subrecipients submit required Single Audit Reports within 9 months of its fiscal year end and must follow-up with the subrecipients to ensure actions are taken to address any deficiencies found through those audits. Officials told us that UCS only reviewed Single Audit Reports at the time subrecipients are selected and not annually because subrecipients are required to disclose any audit findings. Because UCS did not review its subrecipient Single Audit Reports on an ongoing basis, we conducted our own review and found that there were no subrecipients with identified deficiencies that needed to be addressed.

We recommend OVV ensures that UCS improves its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those audits.

Grant Expenditures

Between October 2016 and December 2021, UCS charged a total of \$1,764,810 to the awards we audited. The table below summarizes the amounts expensed to each budget category.

Table 2

Expenditure Summary for UCS Grants

Budget Category	Combined total per Category
Subrecipient	\$1,177,500
Personnel & Fringe	\$550,006
Travel	\$22,166
Consultant	\$15,138
Total:	\$1,764,810

Source: New York Statewide Financial System

To determine whether costs charged to the awards were allowable and supported, we tested a sample of expenditures from each budget category by reviewing documentation and accounting records. Based on our testing, we made several management improvement recommendations in the following sections: (1) Subrecipient Costs, (2) Travel Costs, and (3) Consultant Costs.

Subrecipient Costs

UCS charged \$1,177,500 in subrecipient expenditures to the grants we audited. This funding was distributed to six different subrecipients that assisted in providing services to victims. We found that UCS reimbursed subrecipients for costs based on quarterly financial reports, however, no other source documentation was collected or reviewed to support these reports. As described previously in the subrecipient monitoring section, we also found that UCS did not complete site visits at subrecipient locations or document its familiarity with subrecipient financial operations and expenditure supporting documentation.

Because UCS did not review expenditure support during monitoring or when reimbursing subrecipients based on the quarterly financial reports, we completed an assessment of subrecipient risk of non-compliance with grant requirements related to financial operations and expenditures. We conducted interviews with two subrecipients and reviewed their accounting system reports to summarize \$108,176 of the total \$1,177,500 in subrecipient expenditures. We found that those records matched the individual payments UCS made to the subrecipients and did not otherwise identify any concerns with the financial operations of the subrecipients.

As we discussed in the subrecipient monitoring section of the report, we recommend OVW ensures that UCS improves its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations when no site visits are completed.

Personnel & Fringe Costs

UCS used funding from the 2017-WE-AX-0051 award to pay personnel and fringe benefits of four full-time staff members, including computer analysts and programmers who worked on the statewide Orders of Protection Registry. UCS charged \$550,006 to the 2017-WE-AX-0051 award, including \$364,943 for personnel and \$185,063 for fringe benefits.

Of the \$364,943 charged to personnel, we tested \$157,634 by reviewing employees' time and attendance records for the pay periods included in our sample. For fringe benefits we selected \$117,374 of the \$185,063 that was charged, and reviewed documentation from UCS to demonstrate that the fringe amounts were calculated correctly based on actual personnel amounts and established statewide fringe benefit rates. We determined these amounts were both allowable and supported.

Travel Costs

UCS charged a total of \$22,166 in travel costs to all three awards, and these costs were related to trips made by staff to attend mandated OVW sponsored trainings, court-based trainings, and a variety of conferences related to victim services. Although these costs were both allowable and supported, we found that UCS did not always adhere to its travel policies as noted below.

We reviewed \$8,490 of the \$22,166 charged to travel, which included airfare, lodging, meals, public transportation, mileage, and per diem expenses. As part of our testing, we inspected supporting documentation, as required by UCS policy, and found that UCS did not always use: (1) per diem rates when expensing lodging, (2) economy or coach class when using a common carrier, and (3) did not complete required forms in advance of travel. Although we determined UCS did not always adhere to its travel policies, we are not recommending that OVW remedy the related costs because we have estimated the amounts to be less than \$1,000 in total.

We recommend that OVW ensures UCS adheres to its existing travel policy when expensing travel-related funds to the grant.

Consultant Costs

UCS used a total of \$15,138 in funding from the 2017-WE-AX-0051 grant to hire two consultants that worked on the Orders of Protection Project. We reviewed UCS's procurement of these consultants and found that both were hired through a competitive procurement process that established reasonable rates. We also found that UCS required both consultants to use time and effort reports to allocate time charged to the program. However, we found that UCS did not obtain the required prior approval from OVW for these consultants' pay rates.

According to the DOJ Grants Financial Guide, pass-through entities must receive prior approval from OVW when compensation for consultant services exceeds the maximum allowable hourly rate of \$81.25 per hour. Although UCS charged consultant rates of \$95.32 and \$83.00 per hour, it was still able to demonstrate, through its competitive procurement process that the rates were reasonable in comparison to similar consultants in the market.

To remedy using consultant rates in excess of maximum rates that require prior approval, we recommend that OVW review the two consultants' rates that were charged to the grant and remedy any costs as appropriate. We also recommend that OVW ensures UCS enhances its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.

Budget Management and Control

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

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

Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. According to UCS's practices and our interview with UCS official's, drawdown requests were completed on a reimbursement basis and based on actual incurred expenses as posted on UCS's general ledger.

As of January 2022, UCS's drawdown requests totaled \$519,051 for the 2016-WE-AX-0002 award and \$419,987 for the 2017-FJ-AX-0005 award. UCS has not drawn down the 2017-WE-AX-0051 award as of January 2022. To assess whether UCS managed grant receipts in accordance with federal requirements, we compared the total amounts reimbursed to the total expenditures in the accounting records.

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

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report the actual cumulative expenditures incurred up until the reporting period on each financial report. For the periods between October 2016 and March 2021, UCS submitted a total of 46 Federal Financial Reports (FFRs) for its awards. We found that UCS submitted several FFRs that were both inaccurate and late.

To test for accuracy, we selected the three most recent FFRs from each grant and found that UCS's accounting records did not match the reported cumulative amounts on seven of the nine reports we reviewed. We determined these reports were inaccurate because UCS's reporting process was not consistently used by the analysts developing the reports. To ensure OVW oversight was not comprised, we

also tested the timeliness of all submitted FFRs and found that UCS submitted 9 out of 46 reports late. Officials told us this occurred because UCS's current process of reminding analysts about due dates was not properly designed to ensure the reports were submitted in a timely manner.

We recommend that OVW ensures that UCS enhances its policies and procedures for the submission of FFR's that are accurate and timely.

Conclusion and Recommendations

As a result of our audit testing, we concluded that UCS did not adhere to all of the grant requirements we tested but demonstrated adequate progress toward achieving the grants' stated goals and objectives. We did not identify significant issues regarding UCS's subrecipient expenditures, personnel and fringe benefit expenditures, financial management, budget management, and drawdowns. However, we found that UCS did not always comply with essential award conditions related to subrecipient selection and monitoring, travel expenditures, consultant expenditures, and federal financial reports. We provide seven recommendations to OVW to address these deficiencies.

We recommend that OVW:

1. Coordinate with UCS to ensure it adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.
2. Coordinate with UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.
3. Coordinate with UCS to improve its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those single audits.
4. Coordinate with UCS to ensure it adheres to its existing travel policy when expensing travel related funds to the grant.
5. Review the two consultants' rates that were charged to the grant and remedy any costs as appropriate.
6. Coordinate with UCS to enhance its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.
7. Coordinate with UCS to enhance its policies and procedures for the submission of FFR's that are accurate and timely.

APPENDIX 1: 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 grants 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 the Office on Violence Against Women (OVW), grants awarded to the New York State Unified Court System (UCS) under the: (1) Improving Criminal Justice Responses to sexual assault, domestic violence, dating violence, and stalking grant program and (2) Justice for Families Program. 2016-WE-AX-0002 and one supplement totaled \$1,040,000, and as of January 2022, had drawn down \$519,051 of the total grant funds awarded. 2017-FJ-AX-0005 totaled \$550,000, and as of January 2022, had drawn down \$419,987 of the total grant funds awarded. 2017-WE-AX-0051 totaled \$750,000 and as of January 2022, it had not drawn down any of the grant funds. Our audit concentrated on, but was not limited to October 1, 2016, the award date for Grant Number 2016-WE-AX-0002, through February 1, 2022, the last day of our audit work. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of UCS's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including subrecipient charges, personnel and fringe benefit charges, travel charges, consultant charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants 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 DOJ's Grants Management System and JustGrants System as well as UCS'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.

We discussed our audit results with UCS officials throughout the audit and at a formal exit conference. In addition, we also provided UCS a draft of our report and allowed an opportunity to respond, which can be found in Appendix 2. OVW provided a written response, which can be found in Appendix 3.

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 UCS to provide assurance on its internal control structure as a whole. UCS's management is responsible for the establishment and maintenance of internal controls in accordance with OMB Circular A-123, 2 C.F.R. § 200. Because we do not express an opinion on the UCS's internal control structure as a whole, we offer this statement solely for the information and use of the UCS and OVW.¹

We assessed managements design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect UCS's ability to effectively operate, to correctively state financial and performance information, and to ensure compliance with laws and regulations. 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.

¹ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: The New York State Unified Court System Response to the Draft Audit Report



NEW YORK STATE
Unified Court System

OFFICE OF COURT ADMINISTRATION

NANCY J. BARRY, ESQ.
CHIEF OF OPERATIONS

JUSTIN A. BARRY, ESQ.
CHIEF OF ADMINISTRATION

DANIEL M. WEITZ, ESQ.
DIRECTOR, DIVISION OF PROFESSIONAL AND COURT SERVICES

FRANK WOODS
SENIOR COORDINATOR, GRANTS AND CONTRACTS

April 25, 2022

Thomas O. Puerzer Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
701 Market Street, Suite 2300
Philadelphia, PA 19106

Dear Mr. Puerzer:

We respectfully submit our response to the draft report resulting from the audit of grants 2016-WE-AX-0002, 2017-FJ-AX-0005, and 2017-WE-AX-0051 awarded to the New York State Unified Court System (UCS) by the Office on Violence Against Women (OVW). We are gratified that the audit concluded that the UCS demonstrated adequate progress in achieving the grants' stated goals and objectives and did not identify any significant concerns regarding UCS's subrecipient expenditures, personnel and fringe benefit expenditures, financial management, budget management and draw downs. We agree with each of the seven recommendations and are committed to implementing corrective actions. Please see below our comments and proposed corrective actions in response to each recommendation:

- 1) *We recommend that OVW coordinates with UCS to ensure it adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subaward budget.*

The audit found that UCS did not adequately document the reasonableness of the budgeted costs for two subrecipient agreements. Both were awarded through competitive processes. Since the competitive procurements limited applicants to maximum amounts and scored cost proposals, UCS relied on the process to ensure reasonableness. The auditors pointed out that maximum total cost is only one aspect of reasonableness, and in one of the two subrecipient agreements the "competitive" process resulted in only one submitted proposal. UCS has since implemented a protocol to ensure that both the total amount and amounts allocated to specific line-item budget categories are reasonable and the budget approval process is documented for all subrecipient agreements.

- 2) *We recommend that OVW coordinates with NYS-UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.*

On or before October 1, 2022 UCS will 1) develop a conflict-of-interest policy specific to the selection of sub-recipients as an appendix to our Grant Financial Manual; 2) implement an additional review of Vendor Responsibility Questionnaires and/or develop additional inquiries to assess the risk of sub-recipient non-compliance with grant requirements; and 3) will immediately implement a protocol to ensure SAM.gov review to ensure potential grant subrecipients are not excluded from receiving federal subcontracts.

- 3) *We recommend that OVW coordinates with UCS to improve its written subrecipient policies to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those audits.*

On or before October 1, 2022, UCS will 1) develop a process for documenting the financial operations of subrecipients; and 2) develop a process for annual review of subrecipient Single Audit Reports and protocols to address any deficiencies found.

- 4) *We recommend that OVW coordinate with UCS to ensure it adheres to its existing travel policy when expensing travel related funds to the grant.*

On or before October 1, 2022, UCS will issue a memorandum to provide updated guidance to court/district administrative offices responsible for processing UCS travel expense reports to re-assert the importance of obtaining advance approval of grant-funded travel and the applicability of the established UCS travel rules/rates when processing grant-funded travel expense reports.

- 5) *We recommend that OVW review the two consultant's rates that were charged to the grant and remedy any costs as appropriate.*

UCS will await OVW's review of the two consultant fees in question.

- 6) *We recommend that OVW coordinate with UCS to enhance its policies and procedures to include controls that endure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.*

Going forward, UCS will implement controls to ensure that proposals to charge rates more than the rates established in the DOJ Grants Financial Guide are submitted to OVW for prior approval before being charged to the grant.

- 7) We recommend that OVW coordinate with UCS to enhance its policies and procedures for the submission of Federal Financial Reports that are accurate and timely.

On or before October 1, 2022, UCS management will develop an monitoring and accountability protocol to ensure accurate and timely submission of FFRs.

We appreciated the professionalism of your audit team. We look forward to implementing their recommendations to improve our grant management policies and procedures.

Sincerely,

Frank
Woods

Digitally signed by Frank Woods
DN: cn=U.S. O=Grants and Contracts,
ou=NY's Unified Court System,
cn=Frank Woods,
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APPENDIX 3: The Office on Violence Against Women Response to the Draft Audit Report



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

April 21, 2022

MEMORANDUM

TO: Thomas O. Puerzer
Regional Audit Manager

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

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

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to New York State Unified Court System, New York, New York

This memorandum is in response to your correspondence dated March 11, 2022, transmitting the above Draft Audit Report for New York State Unified Court System (UCS). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 7 recommendations with no 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. Coordinate with UCS to ensure it adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.

Concur: OVW will coordinate with UCS to ensure that UCS adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to New York State Unified Court System, New York, New York

2. Coordinate with UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.

Concur: OVW will coordinate with UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.

3. Coordinate with UCS to improve its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those single audits.

Concur: OVW will coordinate with UCS to improve its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those single audits.

4. Coordinate with UCS to ensure it adheres to its existing travel policy when expensing travel related funds to the grant.

Concur: OVW will coordinate with UCS to ensure it adheres to its existing travel policy when expensing travel related funds to the grant.

5. Review the two consultants' rates that were charged to the grant and remedy any costs as appropriate.

Concur: OVW will coordinate with UCS to review the two consultants' rates that were charged to the grant and remedy any costs as appropriate.

6. Coordinate with UCS to enhance its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.

Concur: OVW will coordinate with UCS to enhance its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.

7. Coordinate with UCS to enhance its policies and procedures for the submission of FFR's that are accurate and timely.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant
Awarded to New York State Unified Court System, New York, New York

Concur: OVW will coordinate with UCS to enhance its policies and procedures for the
submission of FFR's that are accurate and timely.

We appreciate the opportunity to review and comment on the draft report. If you have any
questions or require additional information, please contact Rodney Samuels at (202) 514-9820.

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

Aisha Battle
Grant Program Specialist
Office on Violence Against Women

Thelma Bailey
Program Assistant
Office on Violence Against Women

APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office on Violence Against Women (OVW) and the New York State Unified Court System (UCS). UCS's response is incorporated in Appendix 2 and OVW's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OVW concurred with our recommendations and, as a result, the status of the audit report is resolved. In its response, UCS stated that it agreed with each recommendation. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OVW:

1. **Coordinate with UCS to ensure it adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to ensure UCS adheres to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.

UCS agreed with our recommendation and stated in its response that it has implemented a protocol to ensure that specific line-item budget categories are reasonable, and the budget approval process is documented for all subrecipient agreements.

This recommendation can be closed when we receive evidence that UCS has adhered to its written subrecipient policies and procedures to adequately document the reasonableness of costs included in each subrecipient budget.

2. **Coordinate with UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to improve its subrecipient policies and procedures to include a conflict-of-interest policy, a documented interpretation of the Vendor Responsibility Questionnaire to help ensure an appropriate design of subrecipient monitoring plans, and the performance of an excluded party's review on all potential subrecipients.

UCS agreed with our recommendation and stated in its response that it will: (1) develop a conflict-of-interest policy specific to the selection of subrecipients, (2) implement an additional review of the Vendor Responsibility Questionnaire and/or develop additional inquiries to assess subrecipients risk of noncompliance with grant requirements, and (3) implement a protocol for conducting an excluded party's review on all potential subrecipients on or before October 1, 2022.

This recommendation can be closed when we receive evidence that UCS has implemented its updated process to include a conflict-of-interest policy, documented interpretation of the Vendor Responsibility Questionnaire, and the performance of an excluded party's review on all potential subrecipients.

3. **Coordinate with UCS to improve its written subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those single audits.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to improve its subrecipient policies and procedures to include processes for documenting its familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies found in those single audits.

UCS agreed with our recommendation and stated in its response that it will develop a process for documenting the financial operations of subrecipients and conducting an annual review of subrecipient Single Audit Reports to address any deficiencies found in those Single Audits.

This recommendation can be closed when we receive evidence that UCS has implemented its updated process for documenting familiarity with subrecipient financial operations and reviewing Single Audit Reports for timely submission, and follow-up to address deficiencies in those Single Audits.

4. **Coordinate with UCS to ensure it adheres to its existing travel policy when expensing travel related funds to the grant.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to ensure UCS adheres to its existing travel policy when expensing travel-related funds to the grant.

UCS agreed with our recommendation and stated in its response that it will issue a memorandum to provide updated guidance on processing UCS travel expense reports to reassert the importance of obtaining advance approval for all grant-funded travel.

This recommendation can be closed when we receive evidence that UCS has adhered to its exiting travel policy when expensing travel-related funds to a grant.

5. **Review the two consultants' rates that were charged to the grant and remedy any costs as appropriate.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to review its two consultants' rates that were charged to the grant and remedy any costs as appropriate.

UCS agreed with our recommendation and stated in its response that it awaits OVW's review of the two consultant rates in question.

This recommendation can be closed when we receive evidence that OVW has reviewed the two consultants' rates that were charged to the grant and/or remedied any costs as appropriate.

6. **Coordinate with UCS to enhance its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to enhance its policies and procedures to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to the grant.

UCS agreed with our recommendation and stated in its response that it will implement controls to ensure that all consultant rates over the maximum allowable rate are submitted to OVW for prior approval before being charged to the grant.

This recommendation can be closed when we receive evidence that UCS has implemented its updated process to include controls that ensure consultant rates over the maximum allowable rate receive prior approval from the funding agency before being charged to a grant.

7. **Coordinate with UCS to enhance its policies and procedures for the submission of FFR's that are accurate and timely.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with UCS to enhance its policies and procedures for the submission of FFR's that are accurate and timely.

UCS agreed with our recommendation and stated in its response that management will develop monitoring and accountability protocols to ensure FFR's are submitted accurately and timely.

This recommendation can be closed when we receive evidence that UCS has implemented its updated process for the submission of FFR's that are accurate and timely.