



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



**Audit of the Office on Violence  
Against Women and  
Office for Victims of Crime  
Cooperative Agreements Awarded to  
Tapestri Incorporated,  
Tucker, Georgia**

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
AND OFFICE FOR VICTIMS OF CRIME COOPERATIVE  
AGREEMENTS AWARDED TO TAPESTRI INCORPORATED,  
TUCKER, GEORGIA**

**EXECUTIVE SUMMARY**

The Department of Justice (Department) Office of the Inspector General, Audit Division, has completed an audit of the Office on Violence Against Women (OVW) Cooperative Agreement 2011-WM-AX-K015 and the Office for Victims of Crime (OVC) Cooperative Agreement 2011-VT-BX-K023 for awards totaling \$600,000 to Tapestri, Incorporated (Tapestri) located in Tucker, Georgia. As shown in Table I, Tapestri was awarded \$300,000 for each award. OVW is an office within the Department while OVC is a component within the Office of Justice Programs (OJP).

The objective of the audit was to determine whether Tapestri complied with essential award conditions pertaining to: (1) internal control environment, (2) property management, (3) award drawdowns, (4) award expenditures, (5) budget management and control, (6) matching costs, (7) award reporting, and (8) program performance and accomplishments. The purpose of the audit was to determine whether award funds were used for costs that were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and whether Tapestri accomplished the goals and objectives outlined in the award programs and applications.

**Table 1**

**Office on Violence Against Women and Office for Victims of Crime Cooperative Agreements Awarded to Tapestri**

<b>Cooperative Agreement</b>	<b>OJP Program</b>	<b>Award Start Date</b>	<b>Award End Date</b>	<b>Award Amount</b>
2011-WM-AX-K015	OVW	04/01/2011	09/30/2013	\$300,000
2011-VT-BX-K023	OVC	10/01/2011	05/31/2014	\$300,000
<b>Total</b>				<b>\$600,000</b>

Source: Office on Violence Against Women and Office for Victims of Crime

We found weaknesses in the areas of internal controls, award expenditures, reporting, accounting for matching cost contributions, and accomplishment of award objectives. Specifically, we found a lack of segregated financial management duties for the request, approval, and payment of expenses from award funds. We found that Tapestri received award reimbursements for \$1,142 in unallowable expenses for Cooperative Agreement 2011-WM-AX-K015 and \$3,037 in unallowable expenses for Cooperative Agreement 2011-VT-BX-K023. We also found that Tapestri did not properly account for required matching cost contributions for Cooperative Agreement 2011-VT-BX-K023. Additionally, Tapestri inaccurately reported its expenditures for both awards and could not provide adequate support

that it accomplished one award objective for Cooperative Agreement 2011-WM-AX-K015.

We make four recommendations to OVW or OJP, or both, including a recommendation to OVW to remedy \$1,142 in unallowable costs and to OJP to remedy \$3,037 in unallowable costs.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
AND OFFICE FOR VICTIMS OF CRIME COOPERATIVE  
AGREEMENTS AWARDED TO TAPESTRI INCORPORATED,  
TUCKER, GEORGIA**

**TABLE OF CONTENTS**

INTRODUCTION .....	1
Background.....	1
Tapestri, Incorporated .....	2
Office on Violence Against Women .....	2
Office for Victims of Crime .....	2
OIG Audit Approach .....	2
FINDINGS AND RECOMMENDATIONS.....	4
Internal Control Environment .....	4
Single Audits .....	4
Financial Management System.....	4
Property Management .....	5
Award Drawdowns .....	6
Award Expenditures .....	6
Cooperative Agreement 2011-WM-AX-K015 .....	6
Cooperative Agreement 2011-VT-BX-K023.....	7
Budget Management and Control .....	8
Matching Costs .....	8
Award Reporting .....	9
Federal Financial Reports .....	9
Progress Reports .....	10
Program Performance and Accomplishments .....	11
Conclusion .....	13

Recommendations.....	13
APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY .....	14
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS.....	15
APPENDIX 3: OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT REPORT.....	16
APPENDIX 4: OFFICE OF JUSTICE PROGRAMS' RESPONSE TO THE DRAFT REPORT .....	18
APPENDIX 5: TAPESTRI INCORPORATED RESPONSE TO THE DRAFT REPORT .....	21
APPENDIX 6: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT .....	28

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
AND OFFICE FOR VICTIMS OF CRIME COOPERATIVE  
AGREEMENTS AWARDED TO TAPESTRI INCORPORATED,  
TUCKER, GEORGIA**

**INTRODUCTION**

The Department of Justice (Department) Office of the Inspector General, Audit Division, has completed an audit of the Office on Violence Against Women (OVW) and the Office for Victims of Crime (OVC) cooperative agreements totaling \$600,000 awarded to Tapestri Incorporated (Tapestri) located in Tucker, Georgia.

The objective of the audit was to determine whether Tapestri complied with essential award conditions pertaining to: (1) internal control environment, (2) property management, (3) award drawdowns, (4) award expenditures, (5) budget management and control, (6) matching costs, (7) award reporting, and (8) program performance and accomplishments. The purpose of the audit was to determine whether award funds were used for costs that were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and whether Tapestri accomplished the goals and objectives outlined in the award programs and applications.

Tapestri received Cooperative Agreement 2011-WM-AX-K015 from OVW to create public education and community organizing campaigns that address domestic violence, dating violence, sexual assault, or stalking. The OVW award was made under the Engaging Men in Preventing Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program. Tapestri also received Cooperative Agreement 2011-VT-BX-K023 from OVC to provide comprehensive services for male and female foreign national victims of human trafficking. The OVC award was made under the Services for Victims of Human Trafficking Program. As shown in Table 2, Tapestri was awarded \$300,000 for each award.

**Table 2**

**Office on Violence Against Women and Office for Victims  
of Crime Cooperative Agreements Awarded to Tapestri**

<b>Cooperative Agreement</b>	<b>OJP Program</b>	<b>Award Start Date</b>	<b>Award End Date</b>	<b>Award Amount</b>
2011-WM-AX-K015	OVW	04/01/2011	09/30/2013	\$300,000
2011-VT-BX-K023	OVC	10/01/2011	05/31/2014	\$300,000
<b>Total</b>				<b>\$600,000</b>

Source: Office on Violence Against Women and Office for Victims of Crime

**Background**

To address human trafficking and domestic violence, Congress enacted the Trafficking Victims Protection Act of 2000 and the Violence Against Women and the Department of Justice Reauthorization Act of 2005. Within the Department, OVW

and OVC administer separate award programs that provide assistance to victims of human trafficking, violence against women, or domestic violence. OVW is an office within the Department while OVC is a component within the Office of Justice Programs (OJP).

### *Tapestri, Incorporated*

Tapestri is an independent organization created in 2002. Its self-described mission is to end violence and oppression in refugee and immigrant communities. To accomplish this mission, the organization reports that it uses education, community organizing, direct services, and advocacy to improve the lives of those it serves.

### *Office on Violence Against Women*

The mission of OVW, an office within the Department, is to provide federal leadership in developing the nation's capacity to reduce violence against women and administer justice for and strengthen services to victims of domestic violence, dating violence, sexual assault, and stalking. OVW administers the Engaging Men in Preventing Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program, which was created by the Violence Against Women and the Department of Justice Reauthorization Act of 2005.

### *Office for Victims of Crime*

The mission of OVC, a component of OJP, is to enhance the nation's capacity to assist crime victims and to provide leadership in changing attitudes, policies, and practices in ways that promote justice and healing for victims. OVC administers the Services for Victims of Human Trafficking Program.

## **OIG Audit Approach**

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

- **internal controls** to determine whether the financial and accounting system and related internal controls were adequate to safeguard award funds and ensure compliance with the terms and conditions of the awards;
- **property management** to determine if property items acquired with award funds were tracked in a system of property records, adequately protected from loss, and used for award purposes;

- **award drawdowns** (request for award funds) to determine whether requests for reimbursements or advances were adequately supported in accordance with federal requirements;
- **award expenditures** to determine whether expenditures charged to the awards were allowable, supported, and accurate;
- **budget management and control** to determine whether Tapestri adhered to the budget for the expenditure of award funds;
- **matching costs** to determine whether Tapestri provided and accounted for the required matching share of award costs;
- **reporting** to determine whether the required periodic Federal Financial and Progress Reports were submitted on time and accurately reflected award activity; and
- **program performance and accomplishments** to measure Tapestri's performance in accomplishing award objectives.

In conducting our audit, we performed judgmental sample testing in the areas of award expenditures, matching costs, and award goals and accomplishments.

## FINDINGS AND RECOMMENDATIONS

We found that Tapestri lacked segregated financial management duties for the request, approval, and payment of expenses from award funds. From the \$600,000 in combined award reimbursements Tapestri received, we determined that \$1,142 in award funds were for unallowable expenses from OVW Cooperative Agreement 2011-WM-AX-K015 and \$3,037 in award funds were for unallowable expenses from OVC Cooperative Agreement 2011-VT-BX-K023. We also found that Tapestri inaccurately reported its expenditures for both awards, did not record matching costs contributions in its accounting system for OVC Cooperative Agreement 2011-VT-BX-K023, and could not provide adequate support that it accomplished one award objective for OVW Cooperative Agreement 2011-WM-AX-K015.

### Internal Control Environment

To assess risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the awards, we interviewed Tapestri officials and observed award-related duties and responsibilities. We also reviewed Tapestri's financial and accounting system policies and procedures and Single Audit reports. While our audit did not assess Tapestri's overall system of internal controls, we did review the internal controls of the financial management system specific to the administration of award funds.

#### *Single Audits*

OMB Circular A-133 requires any organization that expends \$500,000 or more in federal funds in the organization's fiscal year to have a single organization-wide audit conducted for that fiscal year. These are referred to as "Single Audits." Tapestri's fiscal year runs from October 1 through September 30. The award recipient's federal expenditures were \$1,672,557 in fiscal year (FY) 2013, which required it to undergo a Single Audit. We reviewed the FY 2013 Single Audit report, which did not identify significant deficiencies in federal awards that were considered material weaknesses that could affect Department awards.

#### *Financial Management System*

According to the Financial Guide, award recipients are required to establish and maintain accounting and internal control systems to account accurately for funds awarded to them. Further, recipients must have a financial management system that is able to record and report on the receipt, obligation, and expenditure of award funds. An adequate accounting system allows a recipient to maintain documentation to support all receipts, obligations, and expenditures of federal funds.

Tapestri's financial management system included applications for its general ledger, accounts payable and receivable, and purchasing. The award recipient's payroll functions were contracted to a separate entity. The financial management system is password protected, and access to all users is defined and limited by function. The system also records each entry with an internal time and date stamp. Award-related transactions are identified separately in the financial management system.

During our testing of Tapestri's award expenditures discussed later in this report, we noted a lack of segregated financial management duties regarding the request, approval, and payment of some expenses paid from award funds. We found 37 transactions totaling \$3,261 where the Executive Director approved her own payment request and then signed the reimbursement check made payable to her. The 37 transactions were for cellular phones, training courses, postage, and victim services. While we found no evidence of fraud or abuse, the lack of segregated financial management duties increases the risk of award fraud or mismanagement.<sup>1</sup>

After we presented our audit results to Tapestri officials, the Executive Director told us the organization planned to revise its accounting policies to require a member of Tapestri's Board of Directors to approve all payment requests from the Executive Director. Also, the Executive Director told us the organization issued credit cards to select staff to make certain purchases, which the Executive Director had previously been responsible for making. In March 2015, Tapestri provided us with revised written accounting procedures that required the Executive Director's payment checks to be signed by Tapestri's Chairperson or Treasurer. Because these procedures prevent the Executive Director from authorizing her own payments, we make no recommendation.<sup>2</sup>

## **Property Management**

The Financial Guide requires award recipients to maintain an effective property management system with records that include a description of the property item, an identification number, and the source of the property item. Award recipients are permitted to use their own definition of equipment provided that such a definition includes all equipment with a useful life of at least 1 year and an acquisition cost of \$5,000 or more.

The Finance Manager told us that Tapestri's inventory system included only property and equipment with a value of \$5,000 or more. We requested all award-funded property items purchased and recorded in the Tapestri inventory

---

<sup>1</sup> Separation of duties is a key internal control concept that establishes procedures for certain types of financial transactions where no one person is able to execute the entire procedure alone. The most commonly used example involves the same person initiating and authorizing the same payment.

<sup>2</sup> We also observed that blank checks used to expend award funds were stored in an unlocked supply closet, creating a risk for theft, misuse, or abuse. We discussed our concerns with the Executive Director who agreed. The Executive Director told us they are now securing the checks in a locked metal cabinet.

system. We found no property purchased and recorded with a value of \$5,000 or more.

## **Award Drawdowns**

The Financial Guide requires recipients time their drawdown requests to ensure that federal cash-on-hand is the minimum needed for disbursements to be made immediately or within 10 days. Award recipients must maintain all financial records, supporting documents, and other records pertinent to the award for at least 3 years following the close of the award.

The Finance Manager told us Tapestri's policy was generally to request reimbursements for award expenses. However, there were situations when an advance was requested so that revenue could be matched to the anticipated costs. We compared 40 drawdowns totaling \$600,000 to Tapestri's accounting records and found that each drawdown matched the accounting records.

## **Award Expenditures**

According to the Financial Guide, allowable costs are those identified in OMB Circulars and the award program's authorizing legislation. In addition, costs must be reasonable, allocable, and necessary to the project, and comply with funding statute requirements. We reviewed Tapestri's award expenditures to determine if the expenses were allowable, properly approved, accurately recorded in the accounting records, supported by appropriate documentation, and properly charged.

We tested \$38,564 (or 6 percent) of the \$600,000 in combined awards. We completed our tests by comparing each transaction to supporting documentation; such as purchase orders, checks, bank statements, or receipts. As discussed below, we question \$1,142 as unallowable for OVW Cooperative Agreement 2011-WM-AX-K015 and \$3,037 as unallowable for OVC Cooperative Agreement 2011-VT-BX-K023.

### *Cooperative Agreement 2011-WM-AX-K015*

For OVW Cooperative Agreement 2011-WM-AX-K015, we judgmentally selected and tested 33 transactions totaling \$16,102. As a result of our testing, we identified \$1,142 as unallowable based on the following.

- Tapestri charged \$1,007, which represented a portion of a telephone equipment and installation expense allocated to the award.<sup>3</sup> The allocation was unallowable because the expense was not included in the approved OVW budget. The Executive Director told us the new telephone system was

---

<sup>3</sup> In August 2012, Tapestri purchased a telephone system for \$10,065 and allocated 10 percent (or \$1,007) to OVW Cooperative Agreement 2011-WM-AX-K015. An additional 10 percent (or \$1,007) was allocated to OVC Cooperative Agreement 2011-VT-BX-K023.

needed when the organization relocated its office space. She also told us Tapestri did not seek approval from OVW before using award funds to purchase and install the telephone system.

- Tapestri charged \$135 for decorations that were unallowable because the expense was not included in the approved OVW budget. The Executive Director told us the expense was an oversight and should not have been charged to the award.

We recommend that OVW remedy \$1,142 in unallowable costs for telephone system equipment and installation, and decorations.

#### *Cooperative Agreement 2011-VT-BX-K023*

For OVC Cooperative Agreement 2011-VT-BX-K023, we judgmentally selected and tested 34 transactions totaling \$22,463. As a result of our testing, we identified \$3,037 as unallowable based on the following.

- Tapestri charged another \$1,007 for the same telephone equipment and installation expense previously discussed. The allocation was unallowable because the expense was not included in the approved OVC budget. The Executive Director told us that the new telephone system was needed when the organization relocated its office space. She also told us Tapestri did not seek approval from OVC before using award funds to purchase and install the telephone system.
- Tapestri charged \$1,500 for website design services. The cost was unallowable because it was not included in the approved OVC budget. The Executive Director told us the expenditure was an error and should have been charged to another award.
- Tapestri charged \$530 in payroll transaction fees that were unallowable because administrative expenses were not included in the approved OVC budget. The Executive Director told us she was not aware that these transactions could not be paid from award funds.

We recommend that OJP remedy \$3,037 in unallowable costs for telephone system equipment and installation, website design services, and payroll transaction fees.

## **Budget Management and Control**

According to the Financial Guide, award recipients must obtain prior agency approval for a budget modification that changes the scope of the project, and any adjustment that affects a cost category that was not included in the original budget. Award recipients may transfer funds between approved budget categories without agency approval if the total transfers are 10 percent or less than the award amount. We compared Tapestri's award expenditures to its approved budgets. We concluded that Tapestri had properly managed its award budgets.

## **Matching Costs**

A match is the dollar amount or value that the award recipient agrees to contribute to the award program. Matching contributions include cash spent for project-related costs and contributions of equipment, supplies, volunteer work, space, and the value of goods and services directly benefiting the award project. The value of property items used as matching contributions may not exceed fair market, and the items may not be used as "repeat" matching contributions in subsequent awards. The Financial Guide requires award recipients to maintain accounting records and supporting documentation that show the source, amount, and timing of all matching contributions. Any matching costs not provided by the award recipient must be paid to the Department.

For Cooperative Agreement 2011-VT-BX-K023, OVC required Tapestri to provide a matching contribution of 25 percent (or \$100,000) of the total project costs, as shown in Table 3. OVW did not require a matching contribution for Cooperative Agreement 2011-WM-AX-K015. For Cooperative Agreement 2011-VT-BX-K023, we tested the matching cost transactions recorded in Tapestri's accounting records to determine whether the transactions were supported by adequate documentation and whether the values assigned to equipment, space, and other non-cash matching contributions were reasonable. We attempted to examine the matching cost transactions recorded in Tapestri's accounting system but determined that Tapestri did not record such transactions in its accounting system. The Finance Manager told us she was not aware that matching contributions were required to be recorded in an accounting system. Matching contributions are subject to the same requirements as federal award funds. In March 2015, after we presented our audit results to Tapestri officials, Tapestri provided us with revised written accounting procedures that stated matching funds would be recorded in the financial management system. Because these procedures addressed the need for matching transactions to be recorded in Tapestri's accounting system, we make no recommendation.

**Table 3**  
**Planned Matching Contributions According to the Budget**  
**for OVC Cooperative Agreement 2011-VT-BX-K023**

Match to be Provided By Tapestri	Value
Consultant Fees:	
Interpreters (\$35/hour x 246.43 hours)	\$4,625
Pro-bono Attorneys (\$56.25/hour x 700 hours)	\$39,375
<b>Total Consultant Fees</b>	<b>\$44,000</b>
Victim Services (56 clients x 24 months):	
\$100 medical screening /follow-up	
\$50 Dental Screening/follow-up	
\$400 housing long term	
\$100 clothing	
\$75 ESL Classes, literacy education, GED Assistance	
\$100 Counseling (mental health)	
\$50 Life Skills Training/Self-Sufficiency Trainings	
Total Local: \$875	
<b>Total Victim Services Fees (\$875 x 56 clients)</b>	<b>\$49,000</b>
Printing Outreach Material/Factsheet	\$1,000
Phone/Fax/Email	\$6,000
<b>Total Other Cost</b>	<b>\$56,000</b>
<b>Award Costs from local sources (planned)</b>	<b>\$100,000</b>

Source: Tapestri award records

Tapestri did maintain records of its matching contributions such as hardcopy records of time sheets from pro-bono attorneys and records for donations and shelter services. We judgmentally selected and tested the valuation of 22 matching cost transactions totaling \$104,989, which was 89 percent of the matching contributions according to Tapestri's records. We concluded that Tapestri's valuation appeared reasonable.

### **Award Reporting**

The Financial Guide requires award recipients to submit both timely and accurate financial and progress reports. Federal Financial Reports provide information on monies spent and the unliquidated obligations incurred during the award period. Progress reports provide information on the performance and activities of an award. The financial report is due 30 days after the end of each calendar quarter. The final financial report is due 90 days following the end of the award period. Progress reports are due 30 days after the end of the reporting period, which is June 30 and December 31, for the life of the award.

#### *Federal Financial Reports*

To test the timeliness of the reports, we reviewed four financial reports for OVW Cooperative Agreement 2011-WM-AX-K015 and four reports for OVC Cooperative Agreement 2011-VT-BX-K023, which were the most recently submitted

reports at the time of our testing. We determined the reports were submitted timely.

To test the accuracy of the reports, we compared reported expenditures to Tapestri's accounting records for four reports submitted for Cooperative Agreement 2011-WM-AX-K015 and four reports for Cooperative Agreement 2011-VT-BX-K023. As shown in Table 4, we determined that none of the reports matched Tapestri's accounting records.

**Table 4**  
**Analysis of Tapestri's Federal Financial Reports for Accuracy**

<b>OVW Cooperative Agreement 2011-WM-AX-K015</b>			
<b>Period Ending</b>	<b>Reported Expenditures</b>	<b>Amount Supported by Tapestri's Accounting Records</b>	<b>Difference</b>
December 31, 2012	\$35,156	\$35,582	\$426
March 31, 2013	37,264	35,959	(1,305)
June 30, 2013	43,068	41,581	(1,487)
September 30, 2013	24,480	28,220	3,740
<b>OVC Cooperative Agreement 2011-VT-BX-K023</b>			
<b>Period Ending</b>	<b>Reported Expenditures</b>	<b>Amount Supported by Tapestri's Accounting Records</b>	<b>Difference</b>
September 30, 2013	\$37,920	\$39,217	\$1,297
December 31, 2013	33,479	33,694	215
March 31, 2014	40,781	40,448	(333)
May 31, 2014	30,140	28,833	(1,307)

Note: Amounts were rounded

Source: OIG Analysis of Tapestri's award records

The Finance Manager told us the financial reports were inaccurate as a result of transaction timing differences, corrected journal entries, and the practice of estimating some expenses. Without accurate financial reporting, Tapestri is unable to properly account for its awards. Additionally, inaccurate reporting prevents OVW and OVC from adequately monitoring Tapestri's award activity. We recommend OVW and OJP ensure Tapestri provides accurate financial reporting for the expenditure of awards.

#### *Progress Reports*

To test the timeliness of Tapestri's progress reports, we reviewed four progress reports submitted for OVW Cooperative Agreement 2011-WM-AX-K015 and four reports for OVC Cooperative Agreement 2011-VT-BX-K023. We found that two reports for OVW Cooperative Agreement 2011-WM-AX-K015 for periods ending December 31, 2012, and June 30, 2012, were submitted 1 and 31 days late, respectively. The Finance Manager told us these reports were late because other Tapestri employees were delayed in compiling the data needed to complete the reports. We do not consider these late reports a material finding and consequently make no recommendation.

To test the accuracy of the progress reports, we reviewed two progress reports from each award by comparing award goals to actual accomplishments. We found that the information contained in these reports were generally accurate.

## **Program Performance and Accomplishments**

Award goals and accomplishments should be based on measurable outcomes. The Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010 provide a framework for setting goals, measuring progress, and using data to improve performance. To measure progress, award recipients should establish a baseline measure and a system for collecting and analyzing data needed to measure progress.

We reviewed award applications Tapestri submitted for both awards to identify specific objectives for the awards. These objectives consisted of the identification of direct services for victims; coordinating and facilitating outreach, training, and educational campaigns; and collaborating with local and federal law enforcement. To determine Tapestri's accomplishment of these objectives, we judgmentally selected three objectives from OVW Cooperative Agreement 2011-WM-AX-K015 and five objectives from OVC Cooperative Agreement 2011-VT-BX-K023 to compare to supporting documentation.

As shown in Table 4, we found that Tapestri could not provide adequate support for the accomplishment of one objective. For OVW Cooperative Agreement 2011-WM-AX-K015, Tapestri's objective was to organize or facilitate community education sessions for 400 refugees. We could not determine if the accomplishments reported in support of this objective were completed because Tapestri did not maintain sign-in sheets for 3 of the 11 community education training sessions it stated it organized in 2013. Tapestri's Outreach Specialist told us sign-in sheets were not always used with large audiences or if the partner organization used a sign-in sheet. Additionally, she told us audience members sometimes left before the end of the training and did not sign-in.

Without adequate supporting documentation, OVW cannot determine if Tapestri accomplished its award objectives. We recommend that OVW ensure that Tapestri develops written procedures requiring all supporting documentation on the accomplishment of award objectives be maintained.

**Table 5**  
**Objectives for Cooperative Agreements**  
**2011-WM-AX-K015 and 2011-VT-BX-K023**

<b>Objective #</b>	<b>Cooperative Agreement</b>	<b>Objectives</b>	<b>Accomplishments Supported by Documentation</b>
1	2011-WM-AX-K015	Raise awareness about domestic violence, sexual assault, and dating violence and stalking in refugee and immigrant communities. These activities should target men by organizing and facilitating community education or orientation prevention sessions on violence against women for 400 refugees.	No
2		Conduct a culturally appropriate 24-week Violence Against Women Prevention and Intervention Programs for 20 refugees.	Yes
3		Create culturally appropriate outreach materials in 10 different languages, organize ethnic media campaigns in 10 communities in their media sources (radio, newspapers, web-based outreach), and organize public education campaigns to encourage men and boys to work as allies with women and girls to prevent violence.	Yes
1	2011-VT-BX-K023	Provide comprehensive culturally and linguistically appropriate direct services (such as enhanced case management, temporary housing), transportation to client appointments, interpretation, translation, health care, counseling, job training, daily living skills, legal referrals and other supportive services for a minimum of 28 pre-certified victims of trafficking each year (56 for the 2-year award period).	Yes
2		Support victim's rights, provide legal advocacy, and encourage prosecution of traffickers for a minimum of 28 pre-certified trafficking victims each year.	Yes
3		Continue to develop and strengthen a local trafficking collaborative and participate in meetings with local and federal law enforcement.	Yes
4		Conduct outreach to refugee and immigrant communities through a minimum of 24 mass media outreach activities each year such as public service announcements on ethnic radio shows and articles in ethnic newspapers; through a minimum of 24 community presentations such as presentations for faith-based congregations; and through distribution of a minimum of 2,000 developed outreach materials translated in various languages.	Yes
5		Conduct trainings for a minimum of 2,000 mainstream service providers, including law enforcement agencies, social service providers, health-care providers, community-based organizations, criminal justice system personnel, and court personnel to educate them about the rights and needs of victims of trafficking.	Yes

Source: OIG Analysis of Tapeatri records

## Conclusion

We found weaknesses in the areas of internal controls, award expenditures, reporting, accounting for matching cost contributions, and accomplishment of cooperative agreement objectives. Tapestri lacked segregated financial management duties for the request, approval, and payment of expenses from award funds. We found that Tapestri received award reimbursements for \$1,142 in unallowable expenses for OVW Cooperative Agreement 2011-WM-AX-K015 and \$3,037 in unallowable expenses for OVC Cooperative Agreement 2011-VT-BX-K023. We also found that Tapestri did not properly account for required matching cost contributions for OVC Cooperative Agreement 2011-VT-BX-K023. Additionally, Tapestri inaccurately reported its expenditures for both awards and could not provide adequate support that it accomplished one award objective for OVW Cooperative Agreement 2011-WM-AX-K015.

## Recommendations

For both cooperative agreements, we recommend that OVW and OJP:

1. Ensure Tapestri provides accurate financial reporting for the expenditure of award funds.

For Cooperative Agreement 2011-WM-AX-K015, we recommend that OVW:

2. Remedy the \$1,142 in unallowable telephone system equipment and installation, and decoration costs.<sup>4</sup>
3. Ensure that Tapestri develops written procedures requiring all supporting documentation on the accomplishment of cooperative agreement objectives be maintained.

For Cooperative Agreement 2011-VT-BX-K023, we recommend that OJP:

4. Remedy \$3,037 in unallowable telephone system equipment and installation, website design services, and payroll transaction fee costs.

---

<sup>4</sup> The draft audit report identified \$2,085 in questioned costs for this recommendation. However, documentation in Tapestri's response confirmed that \$943 for payroll transaction fees was approved. As a result, we reduced our questioned costs by this amount and identify the remaining balance, \$1,142, in this final report.

### OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the audit was to determine whether Tapestri complied with essential award conditions pertaining to: (1) internal control environment, (2) property management, (3) award drawdowns, (4) award expenditures, (5) budget management and control, (6) matching costs, (7) award reporting, and (8) program performance and accomplishments. The purpose of the audit was to determine if costs claimed under Cooperative Agreements 2011-WM-AX-K015 and 2011-VT-BX-K023 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions.

We tested compliance with what we consider to be the most important conditions of the awards. Unless otherwise stated in our report, the criteria we audit against are contained in the Financial Guide, OMB Circulars, and specific award program guidance.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and 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.

In conducting our audit, we performed sample testing in the areas of award expenditures, matching costs, and award goals and accomplishments. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards we reviewed, such as dollar amounts or risk of loss. This non-statistical sample design does not allow extrapolation of the test results to the universe from which the samples were drawn.

Of the \$600,000 in combined award funds reimbursed to Tapestri, we tested \$16,102 (or 5 percent) of award expenditures for Cooperative Agreement 2011-WM-AX-K015 and \$22,463 (or 7 percent) of award expenditures for Cooperative Agreement 2011-VT-BX-K023. We also tested \$104,989 (or 89 percent) of matching cost contributions for Cooperative Agreement 2011-VT-BX-K023.

We judgmentally selected and tested Tapestri's progress in accomplishing the goals and objectives of the awards. We also reviewed the timeliness and accuracy of Tapestri's Federal Financial and progress reports. We did not assess the reliability of the financial management system as a whole.

## APPENDIX 2

### SCHEDULE OF DOLLAR-RELATED FINDINGS

<b>Description</b>	<b>Amount</b>	<b>Page</b>
Unallowable Costs:		
OVW Cooperative Agreement 2011-WM-AX-K015	\$1,142	6
OVC Cooperative Agreement 2011-VT-BX-K023	\$3,037	7
<b>Total Questioned Costs for OVW Cooperative Agreement 2011-WM-AX-K015<sup>5</sup></b>	<b>\$1,142</b>	
<b>Total Questioned Costs for OVC Cooperative Agreement 2011-VT-BX-K023</b>	<b>\$3,037</b>	

---

<sup>5</sup> Questioned costs are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

OFFICE ON VIOLENCE AGAINST WOMEN  
RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office on Violence Against Women

---

Washington, DC 20530

June 11, 2015

MEMORANDUM

TO: Ferris B. Polk  
Regional Audit Manager  
Atlanta Regional Audit Office

FROM: Bea Hanson   
Principal Deputy Director  
Office on Violence Against Women

Rodney Samuels   
Audit Liaison/Staff Accountant  
Office on Violence Against Women

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against Women and Victims of Crime Grants Awarded to Tapestri Incorporated, Tucker, Georgia

This memorandum is in response to your correspondence dated April 22, 2015 transmitting the above draft audit report for Tapestri Incorporated. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains four recommendations in which two recommendations and \$2,085 in unallowable costs are directed to OVW. In addition, there is one recommendation that is directed to OJP and OVW jointly. The Office on Violence Against Women (OVW) is committed to working with OJP and the grantee to address and bring them to a close as quickly as possible. The following is our analysis of the audit recommendations.

**1. Ensure Tapestri provides accurate financial reporting for the expenditure of grant funds.**

OVW does agree with the recommendation. Along with OJP, We will coordinate with Tapestri to ensure that the grantee provide accurate financial reporting for the expenditure of grant funds.

**2. Remedy the \$2,085 in unallowable telephone system equipment and installation, payroll fee, and decoration costs.**

OVW does agree with the recommendation. We will coordinate with Tapestri to remedy the \$2,085 in unallowable telephone system equipment and installation, payroll fee, and decoration costs.

**3. Ensure Tapestri develops written procedures requiring all supporting documentation on the accomplishment of grant activities be maintained.**

OVW does agree with the recommendation. We will coordinate with Tapestri to ensure that the grantee develops written procedures requiring all supporting documentation on the accomplishment of grant activities be maintained.

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 of my staff at (202) 514-9820.

cc Donna Simmons  
Associate Director, Grants Financial Management Division  
Office on Violence Against Women (OVW)

Louise M. Duhamel, Ph.D.  
Acting Assistant Director  
Audit Liaison Group  
Justice Management Division

Darla Sims  
Program Manager  
Office on Violence Against Women (OVW)

OFFICE OF JUSTICE PROGRAMS'  
RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

---

Washington, D.C. 20531

MAY 21 2015

MEMORANDUM TO: Ferris B. Polk  
Regional Audit Manager  
Atlanta Regional Audit Office  
Office of the Inspector General

FROM:  Ralph E. Martin   
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Offices on Violence Against Women and Victims of Crime Grants Awarded to Tapestri Incorporated, Tucker, Georgia*

This memorandum is in reference to your correspondence, dated April 22, 2015, transmitting the above-referenced draft audit report for Tapestri Incorporated (Tapestri). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **four** recommendations and \$5,122 in questioned costs, of which two recommendations<sup>1</sup> and \$3,037 in questioned costs are directed to the Office of Justice Programs (OJP). The remaining two recommendations and \$2,085 in questioned costs, are directed to the Office on Violence Against Women (OVW). The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OVW and OJP ensure that Tapestri provides accurate financial reporting for the expenditure of grant funds.**

OJP agrees with the recommendation. In conjunction with OVW, we will coordinate with Tapestri to obtain a copy of written policies and procedures, developed and implemented, to ensure that expenditures reported on future Federal Financial Reports are accurate.

---

<sup>1</sup> Recommendation Number 1 was directed to the Office on Violence Against Women and the Office of Justice Programs for a response.

4. **We recommend that OJP remedy \$3,037 in unallowable telephone system equipment and installation, website design services, and payroll transaction fee costs.**

OJP agrees with the recommendation. We will coordinate with Tapestri to remedy the \$3,037 in questioned costs related to telephone system equipment and installation, website design services, and payroll transaction fees, that were charged to cooperative agreement number 2011-VT-BX-K023.

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

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

Joye E. Frost  
Director  
Office for Victims of Crime

Marilyn Roberts  
Deputy Director  
Office for Victims of Crime

Kristina Rose  
Deputy Director  
Office for Victims of Crime

Allison Turkel  
Deputy Director  
Office for Victims of Crime

James Simonson  
Associate Director for Operations  
Office for Victims of Crime

Ivette Estrada  
Grant Program Manager  
Office for Victims of Crime

Leigh A. Benda  
Chief Financial Officer

cc: Christal McNeil-Wright  
Associate Chief Financial Officer  
Grants Financial Management Division  
Office of the Chief Financial Officer

Jerry Conty  
Assistant Chief Financial Officer  
Grants Financial Management Division  
Office of the Chief Financial Officer

Aida Brumme  
Acting Manager, Evaluation and Oversight Branch  
Grants Financial Management Division  
Office of the Chief Financial Officer

Beatrice Hanson  
Principal Deputy Director  
Office on Violence Against Women

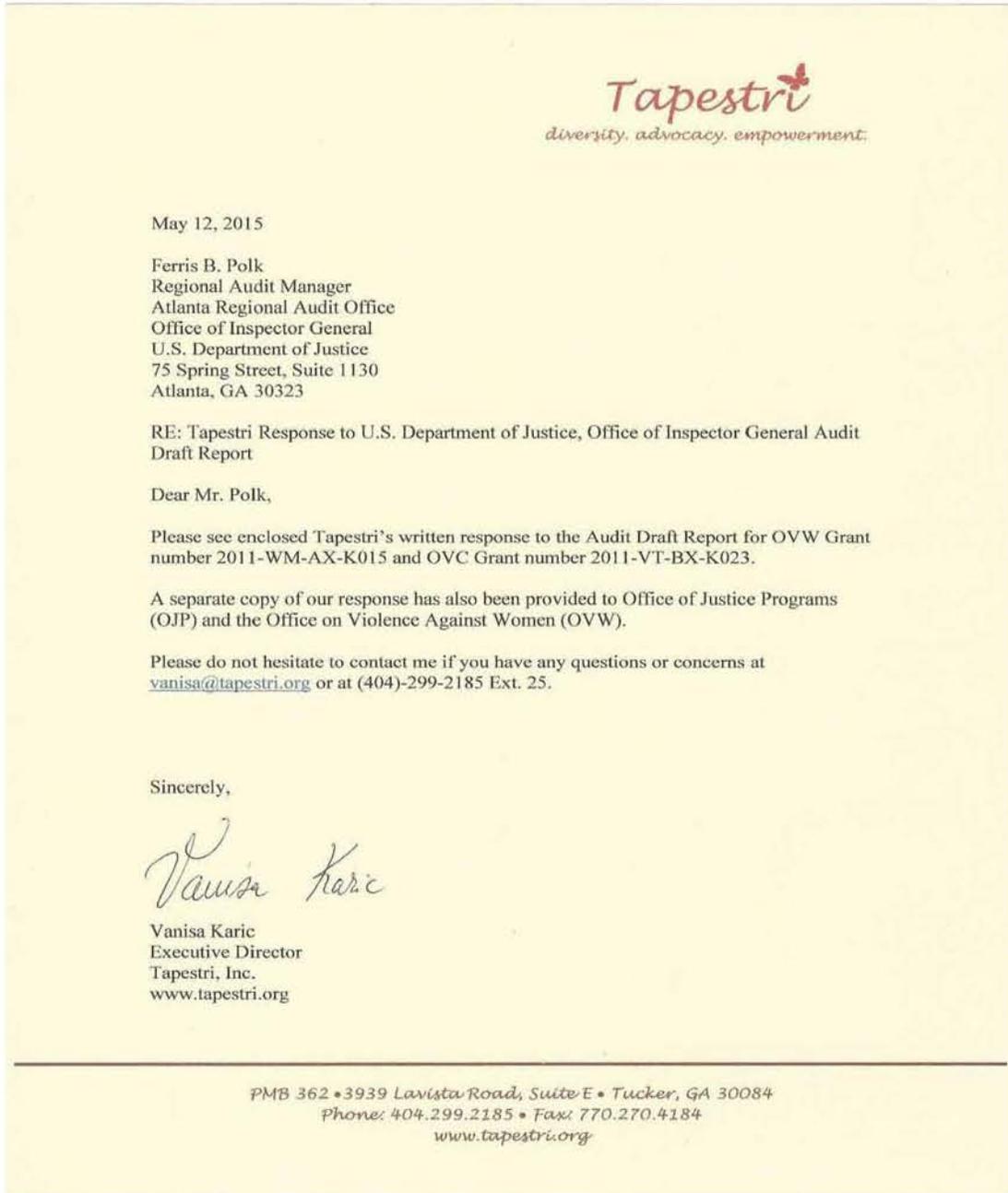
Donna Simmons  
Associate Director, Grants Financial Management Division  
Office on Violence Against Women

Rodney Samuels  
Audit Liaison  
Office on Violence Against Women

Richard P. Theis  
Assistant Director, Audit Liaison Group  
Internal Review and Evaluation Office  
Justice Management Division

OJP Executive Secretariat  
Control Number IT20150423094633

TAPESTRI INCORPORATED RESPONSE TO THE DRAFT REPORT<sup>6</sup>



<sup>6</sup> Attachments to this response were not included in this final report.

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

This is Tapestri's response to the recent Draft Audit Report of Offices of Violence Against Women (OVW) and Victims of Crime (OVC) grants awarded to Tapestri Incorporated, Tucker, Georgia. This response will include a concurrence and non-concurrence, along with a corrective action plan for the recommendations made for the Services for Trafficking Victims Grant Number 2011-VT-BX-K023 (OVC) and Engaging Men Program Grant Number 2011-WM-AX-K015 (OVW) and will address each recommendation by stating the specific steps taken to comply, an implementation date and the monitoring process. Firstly, Tapestri will address the four recommendations as stated on page 13 of the Draft Audit Report; secondly, Tapestri will address the segregation of duties, the accounting for matching cost contributions, inadequate support for the accomplishment of one grant's objective and any other errors or misunderstandings in the conclusion of this response.

The recommendations were as follows:

For both grants, recommendation was that OVW and OJP:

**1. *Ensure Tapestri provides accurate financial reporting for the expenditures of grant funds.***

- We have reviewed the finding under the heading of Grant Reporting of the Federal Financial Reports in the Draft Audit Report and are greatly concerned about the wording that was used to describe the Finance Manager's description of the Federal Financial Reports. The Finance Manager was asked why the Federal Financial Reports did not align with the Accounting Records timeline of expenditures; her response that the financial reports are "inaccurate" [quotations added] was misquoted. The Federal Financial Reports always match the Accounting records for every quarter timeline; however at the end of fiscal year because of the accrual accounting system, transaction timing differences, corrected journal entries and reimbursement of expenses to staff at later dates that need to be counted in that particular quarter per the accrual accounting method, plus the timeframe allowed to edit the Federal Financial Reports would be limited and would close and not allow for edits at later dates. All such factors contributed to the Federal Financial Reports being off by either a few hundred dollars to a thousand dollars on average per the Draft Audit Report. Nevertheless, after reviewing the finding and understanding that such reporting, even though accurate per GAAP, prevents OVW and OVC from adequately monitoring Tapestri's grants activities. Therefore, we concur with the finding and have taken steps to ensure future accurate financial reporting for the expenditures of the grant awards. We have started that process in the first quarter of Tapestri's operations by making sure that any expenses received or increase/decrease in the original expense will be dated and accounted for in the accounting records as of the date received and request of payment

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

filled out by the proper channels within Tapestri. See **Attachment 1** at the end of this response to view our first OVC 2014 Federal Financial Report for the period starting October 1<sup>st</sup> to December 31<sup>st</sup> 2014, submitted January 30<sup>th</sup> as well as OVC Federal Financial Report for the period starting January 1<sup>st</sup> to March 31<sup>st</sup> 2015, report submitted April 30<sup>th</sup> 2015. Along with the FFRs, Tapestri's FUND EZ accounting system generated the Statement of Revenue and Expense for those periods matching the above reports. Additionally, a paragraph on Federal Financial Reports was added to Tapestri's Accounting Policies and Procedures explaining the new policy and procedure. Implementation date was January 30<sup>th</sup> 2015. As stated in the Draft Audit Report by the OJP Auditors, the Federal Financial Reports have always been on time and the drawdowns matched the accounting records.

For Grant number 2011-WM-AX-K015, recommendation is that OVW:

2. *Remedy the \$2,085 in unallowable telephone system equipment and installation, payroll transaction fee, and decoration costs.*
  - We disagree with the finding that of the \$1,007 in questioned costs for telephone equipment and installation was unallowable and disagree with the characterization that Tapestri's Executive Director who met with the auditor concerning the \$1,007 charged for the telephone equipment and installation, stated that Tapestri did not seek approval from OVW before using grant funds for this type of necessity. Since \$1,007 clearly falls under the \$5,000 threshold for property and equipment as stated in the Financial Guide, the \$1,007 which was for a few unexpected but necessary telephones and the installation that came with that, ought to fall under the supplies category in the OVW approved budget. This cost was a necessity and urgent since phones were down. Tapestri relies heavily on the telecommunication system in order to accomplish its goals and operations. In Tapestri's accounting records, it was in the chart of accounts category of **telecommunications** [emphasis added], which is correct, as Tapestri's chart of accounts do not mimic word for word the Budget categories of state and federal funds it receives. However it can be explicitly implied that it should have been under the supplies category of the OVW approved budget. We would like to reiterate OJP Financial Guide's allowable cost definition: "Allowable costs are those costs identified in the relevant OMB circulars and in the grant program's authorizing legislation. To be allowable under Federal awards, costs must be reasonable, allocable, and necessary to the project, and they must also comply with the funding statute requirements." The cost was reasonable, allocable and necessary to the project and it complied with the funding statute requirements. All costs related to supplies per OJP Financial Guide will be in the supplies category. Implementation date was April 30<sup>th</sup>, 2015.
  - We disagree with the finding that of the \$943 payroll transaction fees in questioned costs was unallowable. We disagree with the characterization that the Executive Director said

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

that she was not aware that these transactions could not be paid from the grant funds. Contrary, the approved budget had a line item specifically dedicated to payroll fees titled "Paychex Payroll Fees", see **Attachment 2** for OVW approved budget Engaging Men Grant Number 2011-WM-AZ-K015.

- We agree with the finding of the \$135 in decorations in questioned costs was unallowable. This expense is a supplies/program cost that was interpreted that way by the Auditors, therefore, to caution on the safe side, we agree to pay back \$135 to OVW. Stronger language has been added to Tapestri's Financial Policies and Procedures as well as communicated to staff to counteract any mistakes or misunderstandings when it comes to buying supplies. Implementation Date was April 30<sup>th</sup>, 2015. Payment will be mailed 30 days after the Final Audit Report is issued.

**3. *Ensure that Tapestri develops written procedures requiring all supporting documentation on the accomplishment of grant objectives to be maintained.***

- We disagree with this finding, since Tapestri documents grant activities and ensure that adequate documentation is maintained for all program activities. Tapestri has written procedures in regards to supporting documentation on the grant accomplishments. Additionally, to ensure that Tapestri's staff complies, Tapestri will have annual mandatory trainings for staff titled "Trainings and Outreach Events: Supporting documentation and accomplishment of grant objectives". Implementation Date was April 30<sup>th</sup>, 2015 and follow ups. Please see **Attachment 3**.

For Grant number 2011-VT-BX-K023, recommendation is that OJP:

**4. *Remedy \$3,037 in unallowable telephone system equipment and installation, website design services, and payroll transaction fee costs.***

- We disagree with the finding that the \$1,007 in questioned costs for telephone equipment and installation was unallowable and disagree with the characterization that Tapestri's Executive Director who met with the auditor concerning the \$1,007 charged for the telephone equipment and installation stated that Tapestri did not seek approval from OVC before using grant funds for this type of necessity. Since \$1,007 clearly falls under the \$5,000 threshold for property and equipment as stated in the Financial Guide, the \$1,007 which was for a few unexpected but necessary telephones and the installation that came with that, ought to fall under the supplies category in the OVC approved budget. This cost was a necessity and urgent since phones were down. Tapestri relies heavily on the telecommunication system in order to accomplish its goals and operations. In Tapestri accounting records, it was in the chart of accounts category of **telecommunications** [emphasis added], which is correct, as Tapestri's chart of accounts do not mimic word for

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

word the Budget categories of state and federal funds it receives. However it can be explicitly implied that it should have been under the supplies category of the OVC approved budget. We would like to reiterate OJP Financial Guide's allowable cost definition: "Allowable costs are those costs identified in the relevant OMB circulars and in the grant program's authorizing legislation. To be allowable under Federal awards, costs must be reasonable, allocable, and necessary to the project, and they must also comply with the funding statute requirements." The cost was reasonable, allocable and necessary to the project and it complied with the funding statute requirements. All costs related to supplies per OJP Financial Guide will be in the supplies category. Implementation date was April 30th, 2015.

- We disagree with the finding that \$1,500 in questioned costs charged for website design services was unallowable. The website design services were not in the budget listed, however, it was mentioned throughout the narrative of the project in its application. We disagree with the characterization that the Executive Director stated: "The expenditure was an error and should have been charged to another grant", it was stated in the Draft Audit Report out of context since she also stated that our Allocation policy requires a project's cost that is used by all of Tapestri's programs to be allocated properly and charged to grants that support those costs. OVC in the past has supported that cost. Website is a very important communications tool used by our organization for potential clients, funders, law enforcement and the public. The cost was reasonable, allocable and necessary to the project and complied with funding statute requirements. Alternative solution would be to create a GAN (Grant Adjustment Notice) now if it has not been done so.
- We dispute the finding that \$530 in questioned costs for payroll transaction fees were unallowable. Tapestri's allocation policy requires that costs be split percentage wise among grant-funded staff. We followed our allocation policy. We disagree with the characterization that the Executive Director said that she was not aware that these transactions could not be paid from grant funds, since in the past OVC has supported that cost. Tapestri has been receiving OVC funds since 2004. Executive Director was quoted out of context. This cost was reasonable, allocable and necessary to the project and complied with funding statute requirements. Alternative solution would be to create a GAN (Grant Adjustment Notice) now if it has not been done so.

**Conclusion**

We understand the need for OIG to conduct audits to ensure that programs are being implemented properly and that proposed goals are achieved. We hope this letter adequately addresses all of the recommendations. Aside from the recommendations, the Draft Audit Report stated that weaknesses were found in the areas of internal control specifically a lack of segregated financial management duties for the request, approval and payment of expenses from grant funds and inadequate support for the accomplishment of one grant's objective. This has been addressed and

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

a solution has been accepted in which we explained that due to a six person staff during the two grants' time periods, of which two staff members were management, and that it was a prior practice. Tapestri has put in place a corrective action plan, rewrote Tapestri's Financial Policies and Procedures and has been following the new policies ever since. We are pleased that the Auditor acknowledged that by stating: "In March 2015, Tapestri provided us with revised written accounting procedures that required the Executive Director's payment checks to be signed by Tapestri's Chairperson or Treasurer. Because these procedures prevent the Executive Director from authorizing her own payments, we make no recommendation."

Additionally, the Draft Audit Report stated that they could not find evidence of matching costs, which are tracked in an excel sheet with supporting documentation, in Tapestri's accounting system. It is correct to note that no Federal or State agency had made that a requirement before. However, as soon of learning of that, that matching contributions are subject to same requirements as federal grant funds and need to be recorded in the financial accounting system as well recognized in the financial statements and 990; we revised our Financial Policies and Procedures and confirmed with our Independent Auditors that that is the new policy that will be implemented. We are pleased that the Auditor acknowledged that by stating in the Draft Audit Report: "In March 2015, after we presented our audit results to Tapestri Officials, Tapestri provided us with revised written accounting procedures that stated matching funds would be recorded in the financial management system. Because these procedures address the need for matching transactions to be recorded in Tapestri's accounting system, we make no recommendation."

In response to OVW's Grant number 2011-WM-AX-K015's inadequate support provided for the accomplishment of one grant objective: the Auditor has requested and reviewed reported activities on the time period January-June 2013 and July-December 2013 which showed 373 (total number) of people trained. The proposed number to be reached with Gola #1 was 400. Auditor didn't review the training completed in 2012, reporting period January-June 2012 and July-December 2012. In 2012 we conducted 4 trainings and have 66 people in attendance. When combined the total number of people trained in 2012 and 2013 is 439, which shows that we have met the OVW 2011-WM-AX-K015 grant objective number one.

**See Attachment 4**

Furthermore, the Auditor stated on page 10 in the Draft Audit Report under Progress Reports that the reason two of the four Progress Reports were late was because "The Finance Manager told us these reports were late because she was delayed in compiling the data needed to complete the report." While greatly appreciated that there was no material findings and no recommendations in this area, there must have been a mistake or misunderstanding on the part of the Auditor since he or she might have confused the Finance Manager with another staff person who gave her that answer. The Finance Manager does not have access to the data for the Progress Reports nor has access to Progress Reports, does not compile the data nor completes or submits the Progress Reports.

**AUDIT OF THE OFFICES ON VIOLENCE AGAINST WOMEN AND VICTIMS OF  
CRIME GRANTS AWARDED TO TAPESTRI INCORPORATED, TUCKER, GEORGIA**

**RESPONSE BY TAPESTRI INCORPORATED  
5/13/2015**

Likewise, due to the 2011-WM-AX-K015 Grant late start up, the reporting form were not available on time, therefore reporting was submitted after the regular deadlines. Please see **Attachment 5** for email instructions from OVW grant manager related to reporting forms and reporting deadlines

In conclusion, we are determined to work with OJP Office of the Inspector General Audit Division to close out the recommendations successfully. Tapestri is grateful to work with the OIG Auditors and recognizes the need for audits and monitoring in order to run successful programs. Tapestri strives to meet all goals and have fantastic control of its operations whether program or administrative, in order to deliver its services to its clients successfully.

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office on Violence Against Women (OVW), the Office of Justice Programs (OJP), and Tapestri, Incorporated (Tapestri). The OVW response is incorporated in Appendix 3, while the OJP and Tapestri responses are incorporated in Appendices 4 and 5, respectively. Based on Tapestri's response, we made minor changes to our audit report, which had no effect on our findings and recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

**Analysis of Tapestri's Response**

While OVW agreed with each recommendation, Tapestri disagreed with recommendations 3 and 4; and disagreed in part, with recommendation 2. In addition to responding to our recommendations, Tapestri made statements that did not directly pertain to our recommendations. Below is our reply to those statements.

Tapestri made several references asserting that we mischaracterized statements made by Tapestri employees in our report. Tapestri neither explains how these statements are inaccurate nor provides what it considers the correct statement. This prevents us from responding specifically to the merits of each claim. In our discussion of the recommendations below, we will discuss these asserted mischaracterizations based on the limited information Tapestri provided. However, we note that Tapestri did not mention any of these mischaracterizations during the audit exit conference at which we requested comments on the preliminary results of our audit work including these statements.

We determined that two Progress Reports Tapestri submitted to OVW were late. We made no recommendation because we did not consider these late reports a material finding. In our draft audit report, we stated that we questioned the Finance Manager about the late reports, and she told us the reports were late because she was delayed in compiling the data needed to complete the reports. To clarify, the Finance Manager named other Tapestri employees who were delayed in compiling the data needed to complete the reports, and we have revised this final report accordingly. Tapestri does not dispute that two progress reports were submitted late.

We found that Tapestri did not record matching costs contributions in its accounting system for OVC Cooperative Agreement 2011-VT-BX-K023 as required by federal guidelines. We made no recommendation because Tapestri provided us with revised written accounting procedures that required matching costs to be

recorded in its financial management system. Despite the absence of a recommendation, Tapestri appears to dispute the existence of federal guidance in this area when it stated “no Federal or State agency had made that a requirement before.” The requirement that award recipients properly account for all matching costs can be found in the OJP Financial Management Guide and the OVW Financial Grants Management Guide. In particular, the OVW Guide states that matching costs are subject to the same requirements as federal award funds. Further, the OVW Guide directs award recipients to establish and maintain accounting systems and records that accurately account for both federal funds and matching funds. Considering versions of both guidelines existed during the time period of both cooperative agreements, we do not agree with Tapestri’s view suggesting no federal guidance existed requiring the placement of matching funds in an accounting system.

### **Summary of Actions Necessary to Close Report:**

- 1. For both cooperative agreements, we recommended that OVW and OJP ensure Tapestri provides accurate financial reporting for the expenditure of award funds.**

Resolved. OVW agreed with the recommendation, and stated that it, along with OJP, would coordinate with Tapestri to ensure that the award recipient provides accurate financial reporting for the expenditure of award funds. OJP also agreed, and stated that it in conjunction with OVW, would coordinate with Tapestri to obtain a copy of written policies and procedures, developed and implemented, to ensure that expenditures reported on future Federal Financial Reports are accurate.

Tapestri stated it concurred with the recommendation. However, it added that it was “greatly concerned about the wording used in our audit report.” Tapestri stated that we misquoted the Tapestri employee who explained why Tapestri’s financial reports were inaccurate. We maintain the recommendation because Tapestri offers the same explanation for the inaccurate reporting it provided to us during fieldwork. That explanation was verified through audit testing, and the results of that testing served as the basis for the finding and recommendation. Tapestri states in its response that:

The Federal Financial Reports always match the Accounting records for every quarter timeline; however at the end of the fiscal year because of the accrual accounting system, transaction timing difference, corrected journal entries and reimbursement of expenses to staff at later dates that need to be counted in that particular quarter per the accrual accounting method, plus the timeframe allowed to edit the Federal Financial Reports would be limited and would close and not allow for edits at later dates. All such factors contributed to the

Federal Financial Reports being off by either a few hundred dollars to a thousand dollars on average per the Draft Audit Report.

It is difficult to understand the basis for Tapestri's concern when our report and Tapestri's response contains essentially the same cause for the inaccurate financial reporting.

This recommendation can be closed when Tapestri provides written procedures ensuring the accuracy of financial reporting for the expenditure of awards.

**2. For Cooperative Agreement 2011-WM-AX-K015, we recommended that OVW remedy the \$1,142 in unallowable telephone system equipment and installation, payroll transaction fee, and decoration costs.**

Resolved. OVW agreed with the recommendation and stated that it would coordinate with Tapestri to remedy the \$1,142 in unallowable telephone system equipment and installation, payroll transaction fee, and decoration costs. Tapestri agreed that \$135 for decorations was unallowable, but disagreed that the remaining \$1,007 for telephone equipment and installation expenses were unallowable.

Regarding the \$1,007 telephone equipment and installation expenses, Tapestri stated it disagreed with the characterization that the Executive Director did not seek approval from OVW before using \$1,007 in award funds for the telephone equipment and installation expenses. Tapestri's position also appears to be the expense is allowable because it is less than the \$5,000 threshold of Tapestri's accountable property policy and should be classified under the "Supply" budget category.<sup>7</sup> Lastly, Tapestri stated the cost was reasonable, allocable, necessary to the project, and complied with the funding statute requirements.

We dispute these claims for three reasons. First, when we questioned Tapestri's Executive Director about the telephone and equipment expense, we were told the organization relocated its office space and that the organization did not seek approval from OVW before using award funds to purchase and install the telephone system. Second, in order to receive award funding, OVW required Tapestri to complete and submit a budget in its award application. The budget contained several mandatory budget categories and award applicants were required to clearly describe proposed amounts and uses of award funds for the duration of the project. As Tapestri implied in its response, the \$1,007 telephone equipment and installation expense was not included in its OVW-approved budget. The OVW Financial

---

<sup>7</sup> For Cooperative Agreement 2011-WM-AX-K015, Tapestri had an approved "Supply" budget allocation of \$8,109.

Grants Management Guide required Tapestri to report any deviations to its approved budget to OVW. As we noted in our report, Tapestri did not seek this approval from OVW before using award funds for the telephone equipment expense. Both program requirements are important and necessary because these requirements allow OVW to effectively monitor Tapestri's use of federal award funds. Tapestri neither included the expense in its budget nor notified OVW as required. Thus, the expense is unallowable. Third, while it is correct that allowable costs must be reasonable, allocable, necessary to the project, and in compliance with funding statute requirements, project costs must also be approved or authorized by the awarding agency, which did not occur here.

Regarding the \$943 payroll transaction fee costs, Tapestri states that the cost is allowable because the cost is included in the final budget dated March 4, 2011. We confirmed that the cost was included in this budget version.<sup>8</sup> Therefore, we reduce the questioned costs by \$943 to \$1,142.

This recommendation can be closed when we receive documentation that \$1,142 in questioned costs has been adequately remedied.

**3. For Cooperative Agreement 2011-WM-AX-K015, we recommended that OVW ensure that Tapestri develops written procedures requiring all supporting documentation on the accomplishment of award objectives be maintained.**

Resolved. OVW agreed with the recommendation, and stated it would coordinate with Tapestri to ensure the award recipient develops written procedures requiring all supporting documentation on the accomplishment of award activities be maintained. However, Tapestri disagreed with the recommendation, and stated that it documents award activities and ensures that adequate documentation is maintained for all program activities. Tapestri's position appears to be that it had accomplished the award objective in question and consequently, the recommendation is not necessary.<sup>9</sup> As we noted in our audit report, for Cooperative Agreement 2011-WM-AX-K015, one objective was for Tapestri to organize or facilitate community education sessions for 400 refugees. Tapestri reported to OVW that it completed the award objective by providing education training sessions in calendar year 2013, which we tested by requesting supporting documentation on these sessions. We found that Tapestri could not fully support all of the education training sessions it claimed occurred during calendar year 2013. Specifically, Tapestri officials could not provide

---

<sup>8</sup> We reviewed an OVW approved budget dated November 2, 2010, which did not include an allocation for payroll transaction fees.

<sup>9</sup> Tapestri discussed the accomplishment of award objectives in two different sections of its response using separate facts. We provide our response on the basis that Tapestri intended both sections to apply toward the same recommendation.

adequate supporting documentation, in the form of sign-in sheets, for 3 of the 11 education training sessions claimed.

In its response, Tapestri states it conducted 439 trainings in 2012 and 2013, 39 more than the award objective. Tapestri also states that we did not review the training it completed during calendar year 2012, which is correct. We did not request supporting documentation for Tapestri's education training sessions in 2012 because according to Tapestri's records, and its reporting to OVW, these sessions occurred in calendar year 2013. We tested the completion of these sessions by requesting supporting documentation. In response, Tapestri gave us a list of 11 education sessions it provided, in which a total of 376 refugees attended. We did not consider the list itself adequate support of the accomplishment so we requested sign-in sheets as evidence that 376 refugees attended the 11 sessions. Tapestri could not provide sign-in sheets for 3 of the 11 sessions, which accounted for a combined 170 refugee attendees, as shown in the following table.

<b>Training Date</b>	<b>Attendees Reported to OVW</b>	<b>Actual Attendees per Sign-in Sheet</b>	<b>Training not Supported by Sign-in Sheets</b>
1/14/2013	40	Missing	40
2/13/2013	11	11	0
2/24/2013	30	30	0
3/19/2013	22	22	0
5/20/2013	40	40	0
6/14/2013	24	24	0
6/23/2013	22	22	0
6/27/2013	23	23	0
7/13/2013	34	34	0
10/10/2013	100	Missing	100
12/12/2013	30	Missing	30
<b>Total</b>	<b>376</b>	<b>206</b>	<b>170</b>

Source: OIG analysis of Tapestri records

Tapestri's Outreach Specialist told us sign-in sheets were not always used with large audiences or if the partner organization used a sign-in sheet. She also told us audience members sometimes left before the end of the session and did not sign-in. In our report, we gave no opinion on whether Tapestri accomplished the award objective. Tapestri may have met or exceeded the award objective as it claims. However, it could not provide adequate supporting documentation of this accomplishment. Regardless of Tapestri claims, without adequate supporting documentation, OVW cannot objectively determine if Tapestri accomplished the award objectives.

This recommendation can be closed when Tapestri provides written procedures requiring all supporting documentation on the accomplishment of award objectives be maintained.

**4. For Cooperative Agreement 2011-VT-BX-K023, we recommended that OJP remedy \$3,037 in unallowable telephone system equipment and installation, website design services, and payroll transaction fee costs.**

Resolved. OJP agreed with the recommendation and stated that it would coordinate with Tapestri to remedy the \$3,037 in questioned costs related to telephone system equipment and installation, website design services, and payroll transaction fees that were charged under Cooperative Agreement 2011-VT-BX-K023. Tapestri disagreed with the recommendation.

Regarding the \$1,007 telephone equipment and installation expense, Tapestri restates the same points offered under recommendation 2 as to why the expense should be allowable. That is: (1) we mischaracterized the Executive Director's statements on this issue; (2) "Supplies" were included in the budget and the telephone equipment expense is a proper "Supplies" expense; and (3) the cost was reasonable, allocable, necessary to the project, and complied with funding statute requirements. As we explained earlier, the telephone and equipment expense is unallowable because Tapestri neither included the expense in its budget nor notified OVC for approval as required.<sup>10</sup>

Regarding the \$1,500 website design services expense, Tapestri acknowledges in its response that the expense was not included in the OVC-approved budget. Similar to the \$1,007 telephone equipment expense, the cost is unallowable because Tapestri neither included the expense in its budget nor notified OVC for approval as required. Also, Tapestri stated it disagreed with the characterization that the Executive Director stated that Tapestri's expenditure of award funds for website design services was an error and should have been charged to another award. Our audit documentation supports this statement.

Regarding the \$530 payroll transaction fee costs, Tapestri states that the costs is allowable according to its own allocation policy and that the costs were reasonable, allocable, necessary to the project, and complied with funding statute requirements. Also, Tapestri states it disagrees with the characterization that the Executive Director said she was not aware that these transactions could not be paid from grant funds. Unlike the payroll fees for Cooperative Agreement 2011-WM-AX-K015, this expense was not included in the approved budget as Tapestri acknowledges. Therefore, the cost is unallowable because Tapestri neither included the expense in its budget nor notified OVC as required. Regarding the mischaracterization claim, our audit documentation supports the statement included in our report.

---

<sup>10</sup> OVC was the awarding agency for the cooperative agreement award at issue.

This recommendation can be closed when we receive documentation that the \$3,037 in questioned costs has been remedied.

*The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at [www.justice.gov/oig/hotline](http://www.justice.gov/oig/hotline) or (800) 869-4499.*



Office of the Inspector General  
U.S. Department of Justice  
[www.justice.gov/oig](http://www.justice.gov/oig)